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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

SIERRA HEARING ROOM

SACRAMENTO, CALIFORNIA

MONDAY, OCTOBER 7, 2002

1:30 P.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Steven R. Jones, Chairperson

Sal Cannella

Dan Eaton

Michael Paparian

STAFF

Mark Leary, Executive Director

Terry Jordan, Deputy Director

Kathryn Tobias, Chief Counsel

Patty Wohl, Deputy Director

Shirley Willd-Wagner, Acting Deputy Director

Barbara Baker

Deborah Borzelleri, Staff Counsel

Keith Cambridge

Linda Dickinson

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Judy Friedman

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Martha Gildart

Sharon Green

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES CONTINUED

STAFF CONTINUED

Tom Micka

Piper Miguelgorry

Chris Peck

Terry Smith

Don Tsukimura

Kristin Yee

Calvin Young

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 PROCEEDINGS

2 CHAIRPERSON JONES: We're going to convene this
3 meeting of the Special Waste and Market Development
4 Committee meeting today on Monday, October 7th, at 1:30.
5 We're pretty close.

6 Jeanine, could you call the roll.

7 SECRETARY BAKULICH: Eaton?

8 COMMITTEE MEMBER EATON: Here.

9 SECRETARY BAKULICH: Paparian?

10 COMMITTEE MEMBER PAPARIAN: Here.

11 SECRETARY BAKULICH: Jones?

12 CHAIRPERSON JONES: Here.

13 Mr. Cannella will be here pretty shortly. He was
14 on the Committee that got done about 15, 20 minutes ago.
15 So when he gets in, we'll acknowledge that he's here.

16 Any cell phones or pagers, if you could turn them
17 off during the meeting so they don't disrupt, or put them
18 on vibrate, we'd appreciate it.

19 Anybody that wants to speak to an item, there are
20 speaker slips in the back of the room. Fill them out,
21 bring them up to Bakulich. She will make them available.
22 And we need those speaker slips signed up prior to the
23 item.

24 We're going to go through the items. We've got
25 two items that have been deleted, E and F.

1 After Item H we're going into a brief closed
2 session, which should only take ten minutes or so. So you
3 shouldn't have to go too far.

4 We would ask everybody to be concise with their
5 comments. We're going to move through this meeting.
6 There are important things happening tonight regarding San
7 Francisco, and we're going to deal with those.

8 Any ex partes?

9 COMMITTEE MEMBER EATON: I've got three, Mr.
10 Chair. I got from the Alameda County Waste Authority
11 regarding compost regs, which is not before this
12 Committee, but I guess it would be before the full Board.
13 It was before another Committee. Also from Jim Hemminger
14 regarding the compost regs. And then also information
15 from CRM regarding a tire permit.

16 CHAIRPERSON JONES: Great.

17 And Mr. Paparian.

18 COMMITTEE MEMBER PAPARIAN: None.

19 CHAIRPERSON JONES: Okay. And I'm up to speed
20 too.

21 Deputy Director's report.

22 DEPUTY DIRECTOR WOHL: Okay. Patty Wohl, Waste
23 Prevention and Market Development Division.

24 I actually don't have a report. But I have an
25 intro to Agenda Item B that I'd like to go ahead and move

1 forward to.

2 CHAIRPERSON JONES: Go ahead.

3 DEPUTY DIRECTOR WOHL: And, that is, for Fiscal
4 Year 2002-2003, the Recycling Market Development Revolving
5 Loan Program is budgeted to fund \$10 million in loans, of
6 which the Committee and the Board has approved four loans
7 totaling 3.255 million.

8 Today, the Committee will consider one loan in
9 the amount of \$1,710,000.

10 After these loans are fully funded there remains
11 approximately \$5 million in the RMDZ's subaccount for
12 future loans. And then in addition there is the \$2
13 million in tire fund dollars available for loans.

14 So with that I'd like to introduce Agenda Item B,
15 consideration of the Recycling Market Development
16 Revolving Loan Program application for Epic Plastics, Inc.

17 And Don Tsukimura will present.

18 MR. TSUKIMURA: Good afternoon, Committee
19 Members. Don Tsukimura, RMDZ loan staff.

20 Committee Item B, also known as Agenda Item
21 Number 11, is for the consideration of the Recycling
22 Market Development Revolving Loan Application for Epic
23 Plastics, Inc.

24 This project will be located in Lodi, California,
25 which is in the San Joaquin County RMDZ.

1 Epic Plastics, Inc., utilizes 100 percent
2 recycled HDP plastic to manufacture a landscape edging
3 product called Bend-a-board, which is a trademark name.
4 It is marketed and distributed throughout California and
5 other parts of the western states.

6 Staff has reviewed the borrower's application
7 operations and found it is consistent with the Board's
8 criteria for project eligibility.

9 Epic Plastics was founded in 1997, began
10 production using a single extrusion line, and has grown to
11 three extrusion lines with current diversion of 6,000 tons
12 annually. They have become well established in the
13 landscape edging market and now are ready to expand and
14 diversify.

15 Currently, the existing product line is
16 wholesaled to over 600 distributors.

17 The company will first expand the Bend-a-Board
18 line and then automate the stake production.

19 Secondly, the product line will be expanded to
20 include the manufacture of a decking material composed of
21 wood and plastic and also a higher quality version of a
22 thin black edging.

23 The company has outgrown its current facilities
24 in Richmond, California, and has elected to relocate to
25 Lodi, California. And the new facility will initially

1 have four extrusion lines, but will have the capacity to
2 expand up to a total of ten extrusion lines in the future.

3 This move is expected to be completed by April
4 2003 and will result in an additional 3,500 tons of
5 diversion annually. Job creation is expected to add 30
6 employees to the current workforce of 40 employees.

7 The loan request is for \$1,710,000. The proceeds
8 will be used to purchase and install a new composite
9 extrusion line, expand the existing production lines, and
10 provide working capital for funding increased production
11 costs.

12 The Loan Committee will review this loan request
13 on October 10th. And the results of that meeting will be
14 presented at the next Board meeting.

15 That concludes my presentation. Are there any
16 questions?

17 CHAIRPERSON JONES: Before we do any questions,
18 would the record show that Member Cannella is present.

19 And would you like any ex partes?

20 COMMITTEE MEMBER CANNELLA: Chuck White. We
21 discussed the ADC and the radioactive wastes.

22 CHAIRPERSON JONES: Great. Thanks, Mr. Cannella.
23 Mr. Eaton.

24 COMMITTEE MEMBER EATON: Yes. Is it normal that
25 we pay for moving expenses in these loans?

1 MR. TSUKIMURA: Moving expenses will not be
2 funded as part of this loan.

3 COMMITTEE MEMBER EATON: Will not?

4 MR. TSUKIMURA: No.

5 COMMITTEE MEMBER EATON: That's just part of what
6 the --

7 MR. TSUKIMURA: That's part of the total project
8 cost. And that would be part of the matching funds.

9 DEPUTY DIRECTOR WOHL: You do have a brochure on
10 this company too that we handed out just so you can see
11 what they're doing.

12 COMMITTEE MEMBER EATON: And improvements are to
13 the leasehold?

14 MR. TSUKIMURA: Yes.

15 COMMITTEE MEMBER EATON: And do we know if there
16 are going to be any kind of green building or green
17 products that will be incorporated into the overall
18 project?

19 MR. TSUKIMURA: I don't have --

20 COMMITTEE MEMBER EATON: -- as part of the loan?

21 MR. TSUKIMURA: I don't have any information on
22 that. At this point in time, what we are financing is
23 just equipment. But I don't have any details on
24 exactly --

25 COMMITTEE MEMBER EATON: So we're just doing

1 equipment? We're not doing any improvements? Just for
2 equipment?

3 MR. TSUKIMURA: That's correct.

4 CHAIRPERSON JONES: Okay. Thank you.

5 CHAIRPERSON JONES: Okay. Any other questions?
6 Motion?

7 COMMITTEE MEMBER PAPARIAN: Mr. Chairman, I'll
8 move adoption of Resolution 2002-579 regarding the loan
9 for Epic Plastics.

10 CHAIRPERSON JONES: Okay. We've got a motion.

11 And I'll second.

12 We've got a motion by Mr. Paparian, a second by
13 Jones.

14 Would you call the roll.

15 SECRETARY BAKULICH: Cannella?

16 COMMITTEE MEMBER CANNELLA: Aye.

17 SECRETARY BAKULICH: Eaton?

18 COMMITTEE MEMBER EATON: Aye.

19 SECRETARY BAKULICH: Paparian?

20 COMMITTEE MEMBER PAPARIAN: Aye.

21 SECRETARY BAKULICH: Jones?

22 CHAIRPERSON JONES: Aye.

23 And we can put this -- fiscal consensus. Okay.

24 All right.

25 DEPUTY DIRECTOR WOHL: Okay. Agenda Item C,

1 consideration of approval of the appointment of one new
2 Loan Committee member for the Recycling Market Development
3 Revolving Loan Program Loan Committee.

4 And Sharon Green will present.

5 MS. GREEN: Good afternoon. My name is Sharon
6 Green of the RMDZ loan staff.

7 Committee Item C is consideration of approval of
8 the appointment of one new Loan Committee member for the
9 RMDZ Loan Committee.

10 The Loan Committee consists of nine members
11 comprised of a balanced cross section of individuals from
12 the commercial lending community, both public and private,
13 from throughout the State. These people have demonstrated
14 expertise in the financial analysis and credit evaluation.

15 The Loan Committee meets monthly prior to the
16 Board meeting to review the RMDZ loan applicants'
17 financial soundness and their ability to meet underwriting
18 criteria.

19 The current vacancy is due to the resignation of
20 a member.

21 Patrick Moore is being recommended to fill this
22 vacancy. He is Vice President and Branch Manager for the
23 Bank of the West in Woodland, California. He has in
24 excess of 25 years of commercial lending experience in the
25 private sector.

1 Loan staff recommends approval of the Resolution
2 2002-580 to appoint Patrick Moore to fill the vacant Loan
3 Committee position.

4 This concludes my presentation. Are there any
5 questions?

6 CHAIRPERSON JONES: Questions, members?

7 Motion?

8 COMMITTEE MEMBER PAPARIAN: Mr. Jones, I'll move
9 Resolution 2002-580, regarding the appointment of a new
10 Loan Committee member.

11 COMMITTEE MEMBER EATON: Second.

12 CHAIRPERSON JONES: We've got a motion by Mr.
13 Paparian, a second by Mr. Eaton.

14 Call the roll.

15 SECRETARY BAKULICH: Cannella?

16 COMMITTEE MEMBER CANNELLA: Aye.

17 SECRETARY BAKULICH: Eaton?

18 COMMITTEE MEMBER EATON: Aye.

19 SECRETARY BAKULICH: Paparian?

20 COMMITTEE MEMBER PAPARIAN: Aye.

21 SECRETARY BAKULICH: Jones?

22 CHAIRPERSON JONES: Aye.

23 Put this on consent?

24 Okay. So ordered.

25 All right. Next item.

1 DEPUTY DIRECTOR WOHL: Agenda Item D is
2 consideration of the 2002 Waste Reduction Awards Program
3 "WRAP of the year" winners.

4 And Piper Miguelgorry will present.

5 MS. MIGUELGORRY: Good afternoon, Mr. Chair and
6 Board Members.

7 This is to educate you as if you have not already
8 been made aware of this particular item. This particular
9 category called the Waste Reduction Awards Program "WRAP
10 of the year" is a prestigious category that was originally
11 developed in 1996, and has since been presented -- awards
12 have been presented to 60 California businesses in the
13 last six years. The list of winners include all business
14 types, sizes and a mirage of waste reduction activity.

15 Of the designated 2,152 winners that you
16 designated at the September Board meeting, of those
17 representing 303 California businesses, 10 have been
18 selected for consideration in this category.

19 The process that we go through in deeming these
20 particular exemplary businesses is that we have a panel of
21 staff and Board members' offices that work together
22 collaboratively to come to the decision of the 10
23 businesses. And those offices that are represented are
24 Linda Moulton-Patterson's office, Board Member Jones'
25 office, Waste Prevention and Market Development Ms. Patty

1 Wohl, the Office of Local Assistance and the Office of
2 Public Affairs.

3 So we have a nice representation to come to the
4 conclusion that these businesses are of an exemplary
5 nature in the waste reduction areas that we look for.

6 What will occur is the 10 businesses, of which I
7 will give you a quick synopsis of their locations and
8 their business names, we will be contacting and working
9 with the Public Affairs office as well as the businesses
10 themselves to schedule future events in October, November
11 and December of this year, so that these businesses have
12 the pleasure of receiving extra media attention as well as
13 the recycled glass plate that we have engraved.

14 And here is an example of one, with the WRAP logo
15 on it, as well as the personalized business name and the
16 WRAP of the year award, in addition to the hand-signed
17 "WRAP of the year" certificate that will be presented by
18 all of the Board members who choose to attend these
19 events.

20 These businesses include the Briar Patch
21 Community Market, which is located in Nevada County; the
22 Dominican Hospital, which is in Santa Cruz; Leisure World
23 in Orange County; Manchester Grand Hyatt in San Diego; the
24 Marian Medical Center located in Santa Barbara; the
25 Portofino Hotel & Yacht Club in Redondo Beach; Sierra

1 Nevada Brewing Company in Butte County; the Tofu Shop
2 Specialty Foods in Humboldt County; Westfield Mission
3 Valley in San Diego; and the Whole Foods Market Sebastopol
4 in Sonoma.

5 And we would like to -- staff would like to
6 suggest, if at all possible, that this item be placed on
7 consent, and that the approval of the 10 businesses move
8 forward.

9 If you have any particular questions or comments,
10 I'll be happy to respond.

11 CHAIRPERSON JONES: Questions, members?

12 Motion?

13 COMMITTEE MEMBER PAPARIAN: Mr. Jones, I'll move
14 adoption of Resolution 2002-581 regarding "Wrap of the
15 year," otherwise known as WOTY, for 2002.

16 CHAIRPERSON JONES: Second?

17 I'll second it.

18 We've got a motion by Mr. Paparian, a second by
19 Jones.

20 Would you call the roll.

21 SECRETARY BAKULICH: Cannella?

22 COMMITTEE MEMBER CANNELLA: Aye.

23 SECRETARY BAKULICH: Eaton?

24 COMMITTEE MEMBER EATON: Aye.

25 SECRETARY BAKULICH: Paparian?

1 COMMITTEE MEMBER PAPARIAN: Aye.

2 SECRETARY BAKULICH: Jones?

3 CHAIRPERSON JONES: Aye.

4 Put this on consent?

5 So ordered.

6 Item 14 and 15 have been deleted.

7 I think we're going -- what are we doing here

8 now? Are we --

9 DEPUTY DIRECTOR WOHL: You know, it's probably
10 close enough to two, do you think, to just go into it? Or
11 how exact do you have to be?

12 CHAIRPERSON JONES: When did you want --

13 DEPUTY DIRECTOR WOHL: I think we're going to do
14 the closed session after H. So I think we'll just move
15 into G.

16 CHAIRPERSON JONES: All right. Now, this is a
17 timed item for 2:00 o'clock?

18 DEPUTY DIRECTOR WOHL: Is it not close enough?

19 CHAIRPERSON JONES: Let's do the closed session
20 now. When we come back, it'll be two. They may be
21 standing downstairs.

22 Where are we doing the closed session at?

23 SECRETARY BAKULICH: Room 240.

24 Right out here? Okay.

25 Folks, we'll be right back. This Item H or 16,

1 whatever, this draft paper, is at 2:00 o'clock timed item.
2 We'll be back by 2:00 o'clock. We've got a quick closed
3 session to go to, and we'll be right back. Thanks.

4 (Thereupon the closed session was conducted.)

5 CHAIRPERSON JONES: Okay. We're back from closed
6 session. We had discussed some --

7 CHIEF COUNSEL TOBIAS: I'm sorry. What are you
8 asking?

9 CHAIRPERSON JONES: We're back from closed
10 session. We need to say anything about what we --

11 CHIEF COUNSEL TOBIAS: You can just say that the
12 Committee considered confidential and proprietary
13 information under an exempt Government Code Section 11126
14 Subsection C Subsection 15.

15 CHAIRPERSON JONES: Good. That's exactly what I
16 would have said.

17 (Laughter.)

18 COMMITTEE MEMBER CANNELLA: So eloquently.

19 CHAIRPERSON JONES: All right. Ms. Wohl.

20 DIRECTOR WOHL: Okay. We're moving on to Agenda
21 Item G, which is discussion of the Draft Plastics White
22 Paper Report.

23 And Calvin Young will present.

24 CHAIRPERSON JONES: Can I ask -- this is Item G?

25 I've got one speaker slip.

1 SECRETARY BAKULICH: Oh, two more.

2 CHAIRPERSON JONES: Okay. So if people want to
3 speak, mark your slips down. We're up to three now.

4 MR. YOUNG: Good afternoon, Board Member Jones,
5 Board Members. My name is Calvin Young with the Plastics
6 Recycling Section of the Waste Prevention and Market
7 Development Division.

8 And this is my first time back on this side of
9 the dais for awhile, so be gentle.

10 This afternoon I'm going to be presenting
11 information on the Board Items Number 16 and 17, G and H
12 in your Committee packets. And being sensitive of your
13 time as well as that of our stakeholders, because much of
14 the information is similar, I'll just present information
15 on Item 16, and then we'll follow with only the unique
16 information to Item 17.

17 I'm going to discuss the process and input to
18 date, staff's plans for the next steps. And we're seeking
19 the Committee's input on the content of the reports as
20 well as guidance regarding staff's tentative planned
21 process.

22 Most of you were here and remember why we came
23 about with the white paper in the first place. Plastics
24 is the second largest category of material going into the
25 landfills right now by volume, estimated at about 20

1 percent. It also represents one of the fastest growing
2 segments of the waste stream, and there's currently no
3 real comprehensive plan to effectively deal with plastics.

4 While it has its own unique performance and
5 source reduction properties, that have resulted in
6 significant increase in use, plastics recycling has not
7 kept pace with production. And litter is also an area of
8 growing concern to the public.

9 The two existing Board programs affecting plastic
10 are the rigid plastic package and container program and
11 the regulated trash bag program. Combined they address a
12 very minimal amount of the material being landfilled.

13 Additionally, the beverage container recycling
14 program at the Department of Conservation only targets
15 specific beverage containers.

16 The Board in partnership with the Department of
17 Conservation recognized this and secured the services of
18 the Newpoint Group, Inc.

19 Newpoint is an independent impartial third party
20 with substantial experience in plastic and recycling
21 issues. They have conducted research and prepared a
22 report -- actually two reports that include policy options
23 for the Board's consideration. They have identified
24 issues and systematically analyzed the manufacturing
25 plastics use cycle to create and develop solutions to

1 conserve resources, increase the plastics recycling rate,
2 and increase the use of recycled plastics.

3 As is often the case with our Board and our
4 history here, there has been significant stakeholder input
5 in developing the report. There has been several
6 issue-framing sessions held with numerous stakeholder
7 groups, including haulers, container and trash bag
8 manufacturers, processors, Recycling Market Development
9 Zone administrators, and environmental community.

10 A stakeholder forum was also held at our
11 headquarters here on June 24th and 5th to further discuss
12 various issues and receive feedback on possible policy
13 options. Over 80 stakeholders participated in the forum,
14 50 in person and another 30 on the Internet.

15 A plastics-interested party meeting was held on
16 September 26th to discuss, among other things, the plastic
17 reports. That resulted in 125 participants, 38 in person,
18 12 on the phone, and 75 on the Internet.

19 As you can tell, it's starting to get a little
20 bit of attention.

21 Additionally, comments regarding the draft
22 reports have been submitted to staff and I believe copies
23 provided to the Committee members. As well as there's
24 several copies in the back of the room for the public.

25 For the record, I'd like to acknowledge comments

1 coming from the American Chemistry Council, the Plastics
2 Recycling Corporation of California, Clorox Company,
3 California Film Extruders and Converters Association, Dow
4 Chemical, Ashland, Inc., the Polystyrene Packaging
5 Council, California Resource Recovery Council,
6 Poly-America. And for Item 17, when we get to it, the
7 polystyrene report, the Alliance of Foam Packaging
8 Recyclers, Plastic Loose Fill Council, Polystyrene
9 Packaging Council again; Dart Container Corp., and the
10 City of Signal Hill.

11 After receiving comments that have been submitted
12 in writing as well as here at the Committee hearing,
13 Newpoint will review the -- will revise the draft reports
14 and submit a final draft report to the Board by the end of
15 October.

16 Copies will be provided to Board offices and
17 stakeholders for review. The final reports will be
18 discussed at the November 21st Plastics Interested Parties
19 meeting. And they will be considered by this Committee
20 and the Board at their December meetings.

21 The white paper report, since it was commissioned
22 by the Board as an internal document for policy guidance
23 or for policy options, will come back to the Committee and
24 Board for their acceptance while the polystyrene report
25 since it is a report to the Legislature will come back for

1 the Committee and Board's approval.

2 The polystyrene report will then go through the
3 regular process to be submitted to the Legislature.

4 The vast majority of stakeholders realize that
5 this is a collaborative effort, not necessarily a
6 consensus effort.

7 Staff plans to continue working with the
8 stakeholders to fully explore the policy options in the
9 report and others that would be appropriate for Board
10 consideration. And as part of that staff plans to come
11 back to the Committee and Board with a plastics action
12 plan for their consideration in April of 2002.

13 While they're not planning a presentation, we
14 also have in the audience available for any questions Jim
15 Gibson, Director of Newpoint Group; Wendy Pratt, Senior
16 Associate with Newpoint; and Jim Ferguson, Assistant
17 Director, Division of Recycling, Department of
18 Conservation.

19 At this point on the plastics white paper, what
20 we're looking for is perhaps an opportunity for any
21 stakeholders to provide additional public comment as well
22 as guidance and direction and input from the Committee
23 members on items that they perhaps would like to see also
24 addressed in the report, and any other thoughts you'd have
25 regarding the future direction or tentative plans.

1 CHAIRPERSON JONES: Any members?

2 We will take public comment if no members have
3 anything to add right now.

4 Laurie Nelson, the Clorox Company.

5 MS. NELSON: Mr. Chair, Members, Laurie Nelson on
6 behalf of the Clorox company. And although we are not in
7 agreement with everything that is in the Plastics White
8 Paper, we still want to commend the -- this first and
9 foremost. This is refreshingly straightforward and a
10 thorough presentation that seems to capture all the
11 perspective on plastic as well as all the prejudices. We
12 are especially appreciative of the recognition of the
13 substantial benefits of plastic, especially when it comes
14 to source reduction.

15 We have submitted written comments. I just want
16 to make three brief points here.

17 Number 1 is that we support the repeal of the
18 RPPC law and the trash bag law, as the report clearly
19 states there's no longer a need for these programs. And
20 then it follows that up to say, "Well, maybe we shouldn't
21 do that so we can keep industry's feet to the fire." And
22 I think to resist the repeal of these laws out of that
23 fear is unnecessary. I think it ignores the long history
24 that industry has of participating in these issues.

25 Secondly, industry efforts that are ongoing

1 regardless of what statutes are in place.

2 And then, thirdly, if you just look at the
3 political realities in California, I can guarantee you
4 industry will be participating.

5 And if we were to repeal these laws and refocus
6 those monies that are being spent there on the collection
7 efforts, because there's a lot of this material that is
8 not currently being collected. And the market is there.
9 There are people who want to use this recycled material
10 and they can't get it.

11 And then, thirdly, we would respectfully request
12 that perhaps the report could look at a variable can rate
13 with enough of a differential to create an incentive for
14 consumers to recycle.

15 Thank you very much.

16 CHAIRPERSON JONES: Ms. Nelson, part of the idea
17 that we look at collection and not markets -- I mean if we
18 know that there's markets out there that will take it, we
19 know what they're going to pay for it. I mean, you know,
20 it's easy -- and I fought this battle with APC quite a few
21 years ago -- it's easy to say, you know, we've got to do
22 more about collection, then get all the public riled up,
23 you know, that they can bring all their plastics to a
24 recycling facility. But if there's nowhere to take it
25 economically for markets, then you put the burden -- you

1 shift the burden from the manufacturers of new product
2 and -- you know, from manufacturers of product with
3 recycled content you put it on the backs of the
4 collectors, and that's not fair without identifying where
5 these markets are and what kind of market pricing they're
6 going to look at. Because I could have taken, you know,
7 material to other places, but the cost out of my pocket is
8 \$1,700, \$1,800 a load. And that was not economical, you
9 know, for me.

10 MS. NELSON: Right. And I certainly understand
11 your concern there. I'm speaking specifically what's come
12 out, for example, with the trash bag law where the film
13 plastics can be purchased at a rate that makes it
14 worthwhile to collect these and used things like trex
15 lumber and other things like that. I know that with the
16 RPPC law my company is having problems now finding
17 material to use for the 25 percent recycled rates.

18 So it seems that there is a shortage out there.
19 I can't speak specifically to the cost as to what they're
20 getting on that.

21 CHAIRPERSON JONES: Okay. Mr. Paparian.

22 COMMITTEE MEMBER PAPARIAN: Could you clarify the
23 variable rate idea you're talking about?

24 MS. NELSON: The variable can rate?

25 COMMITTEE MEMBER PAPARIAN: Yeah.

1 MS. NELSON: Depending on the size of your
2 garbage can -- so you have, you know, a little guy and
3 maybe you pay \$8, and then, you know, bigger you pay \$20
4 or \$30 or whatever it takes, so that -- I know that in
5 Seattle I've seen it work. So the people have an
6 incentive to be conscious and aware of the packaging,
7 they're conscious and aware of what they're throwing away
8 and have an incentive to recycle.

9 COMMITTEE MEMBER PAPARIAN: Okay. Would you
10 envision this or thought it through to the point where --
11 would this be a state mandate on collection or -- I
12 understand if you haven't thought it through all the
13 way --

14 MS. NELSON: No, it's something that I think is
15 worth considering, I think it's worth exploring, and I
16 think it has a possibility. Now, whether that is, you
17 know, a mandate or how that is implemented, I don't know.
18 The report is very clear about saying try to avoid
19 mandates, try to retain flexibility, but I think it's
20 something that it might be useful to have the Board or
21 this particular Plastics White Paper look at. There's a
22 lot of information out there.

23 COMMITTEE MEMBER PAPARIAN: Thank you.

24 CHAIRPERSON JONES: Any other questions?

25 Thank you.

1 Next, Pete Price, followed by Miriam Gordan.

2 MR. PRICE: Mr. Chairman, Members, Pete Price,
3 Price Consulting, representing Poly-America. I want to
4 thank you for the opportunity to speak today.

5 Poly-America was not involved when the original
6 law, I think SB 951, was enacted. But we have been
7 involved since then. And I want to go back for a second
8 to SB 698 from a few years ago where we were actually
9 instrumental in helping pursue this -- what you now have
10 in the law, which is a dual path.

11 I apologize. I'm speaking only on the film
12 plastic issues in the White Paper. We're trash bag
13 manufacturers.

14 The dual path is counter-intuitive at first
15 glance, but it really I think is indicative of the
16 situation you have with film plastic. That law says you
17 can comply by having 10 percent recycled content in the
18 trash bags or 30 percent recycled content in all of your
19 plastic products, which would add up to a great deal more
20 than only 10 percent in one product line. And yet that's
21 doable because these plastics are so much more usable in
22 other products and relatively difficult to use in trash
23 bags.

24 Poly-America -- predating these laws, our
25 business model has always included the use of whatever

1 recycled material we could get. As a matter of fact, we
2 until very recently have taken a lot of recycled film
3 plastic from the central valley from ag sheeting back to
4 Texas to process.

5 We've lost all of that supply. The plastic
6 lumber industry really has a voracious appetite and is
7 taking that up as much as we can see. We don't have that
8 supply anymore.

9 So we -- although we never necessarily opposed
10 the law, we do think that, as the report says, it's
11 obsolete, well intentioned, but at this point, with what
12 we know, really off point. And I don't think we're going
13 to solve the problems of film plastic by continuing to try
14 to ratchet down on trash bags, which we now know is one of
15 the most difficult products of which to use as recycled
16 material.

17 We ought to be focusing -- and I want to echo
18 what Laurie said. But I agree with you, Mr. Jones, when
19 you say we ought to focus on collection. The point is not
20 simply to collect for collection sake and then see a
21 newspaper story weeks later about how you're having to
22 dump it at the landfill. At the July 30th, I think,
23 workshop on film plastics there was a lot of good
24 discussion that came out about where the week spot --
25 points are. And one of them is in the Central Valley and

1 ag areas where there's a lot of ag sheeting that we think
2 is still going to landfills, and there's no collection
3 infrastructure to make it easy for the users, because the
4 users are there, whether they be the lumber folks,
5 Poly-America, for example, if we could get it. But it's
6 difficult to, on a milk-run basis, collect that material.

7 So that's what I think we're thinking about as
8 far as collection for film plastic.

9 At any rate we believe that the law is obsolete
10 and would support its repeal. But we would urge the Board
11 to pick up on the good ideas that came out of the
12 workshops on film plastics, because several good ideas did
13 emerge that we think are more on target as to what the
14 real solution is going to need to be on film plastic. And
15 it's not going to be in trying to force it into a
16 difficult product like trash bags.

17 Thank you very much.

18 CHAIRPERSON JONES: Any questions, members?

19 All right. Thanks, Mr. Price.

20 MS. GORDAN: Hello, Mr. Chairman, Members of the
21 Board. I'm Miriam Gordan with the California Coastal
22 Commission. I'm in the Public Education Program.

23 And the Public Education Program of the
24 California Coastal Commission organizes the California
25 Coastal Cleanup Day each year, which 40,000 to 50,000

1 members of the public attend and clean up debris on our
2 beaches and shorelines of inland waterways. We also have
3 programs such as the Adopt a Beach Program where we bring
4 other volunteers out to promote stewardship of the
5 environment and clean up of marine debris.

6 The Coastal Commission is concerned about the
7 increasing problems of marine debris. And we think that
8 this policy juncture that we're at affords the State an
9 opportunity to look at sources of marine debris and
10 plastics within that framework. And I wanted to provide
11 you with a perspective of some of the newer information
12 that we are finding in the water quality world about the
13 impacts of marine debris and just how much plastic plays a
14 role in the marine debris issue.

15 The National Academy of Science tells us that 60
16 to 80 percent of the ocean debris comes from land-based
17 sources, and plastics comprise 90 percent of the floatable
18 debris in the waterways. There are new studies being
19 conducted in California by the Southern California Coastal
20 Water Research Project in 1999, 2000, and 2001, and also
21 continuing, that show just how much plastic is actually
22 out there in the ocean and coming from land-based sources.

23 For example, a study entitled "A Comparison of
24 Plastic and Plankton in the North Pacific Central Gyre"
25 found the largest level of plastic observed in the Pacific

1 Ocean to date. And this study identified three types of
2 plastic out in the -- floating on the surface of the
3 ocean, including plastic fragments, thin films, and
4 monofilament and polypropylene fishing line. The overall
5 mass of plastic that was found in the smaller -- the
6 non-fishing related plastics found floating on the surface
7 of the ocean in the Pacific Ocean was six times as great
8 as the mass of zooplankton floating on the surface of the
9 water.

10 And this is -- and generally the abundance of
11 plastic in the ocean is in the small fragments and
12 particles because they -- a grade while floating out in
13 the ocean.

14 So the same group of researchers wanted to find
15 out what is happening in the nearer coastal waters of
16 California, and subsequently did a study in the Long Beach
17 area of the run off coming from the San Gabriel River, and
18 found in an area where zooplankton is much higher in
19 abundance still three times the amount of plastic to
20 plankton. And this is concerning because these are the
21 particles that are floating around and being consumed by
22 creatures at the bottom of the food chain.

23 Plastics have also been found to be a vector for
24 transport of chemicals. In other words, the chemicals
25 that are being discharged by non-point source pollution

1 adhere to the small plastic particles and then are
2 consumed by creatures at the bottom of the food chain.

3 The studies that I'm citing also looked at the
4 celts and jellies that float around on the surface of the
5 ocean and generally consume plankton as their food source.
6 And many of those samples that were taken of jellies were
7 found to have a body composition that was 50 percent
8 plastic. And those creatures in turn are ingested by our
9 larger marine mammals.

10 These are just the beginning studies of trying to
11 assess how much plastic is out there in the ocean and how
12 much is coming from land-based sources. It's really a new
13 issue for us at the Coastal Commission, but one that we're
14 quite concerned about. And I think that these studies are
15 an indicator that the externalities of plastics production
16 and consumption in our society and their impacts on both
17 marine resources and potentially human health should not
18 be dismissed lightly.

19 We at the Coastal Commission plan to collaborate
20 with these researchers in developing increased awareness
21 among the public about the impacts of consumption of
22 plastics. And so we are starting to follow this issue.

23 We have some concerns about the general policy
24 direction that the White Paper suggests, which seems to
25 diverge from the Board's goals -- stated goals in your

1 2001 strategic plan of promoting zero waste and source
2 reduction. And the interpretation of source reduction in
3 this report is a bit concerning as it's based on looking
4 at the weight of plastics as opposed to the volume of
5 plastics.

6 But the report does indicate that in terms of
7 volume plastics are second highest in the waste stream
8 going to landfill, which is second to organics.

9 So the contention that plastics have tremendous
10 source-reduction properties is not necessarily supported
11 in this report.

12 Also concerning from an environmental
13 perspective, the assumption in the report that life-cycle
14 analysis is an informative tool but should not be used, is
15 also of concern, coming from an agency with their
16 perspective on the impacts to the environment. And the
17 recent reports of the potential human health impacts of
18 plasticizers contained in plastics is also of concern.
19 And it should be of concern to the public as well as the
20 State in terms of formulating a general policy.

21 And our recommendations would be that the Board
22 place a greater emphasis on achieving the zero waste goals
23 set forth in the strategic plan and reevaluate what
24 constitutes source reduction.

25 Thank you.

1 CHAIRPERSON JONES: Any questions by the members?

2 Could you do us a favor and just send us the --
3 well, at least the report on the accumulation of plastic
4 in jellyfish and those things, because --

5 MS. GORDAN: Yes, I have them right here. I'm
6 going to give them to Calvin.

7 CHAIRPERSON JONES: Good, I'd appreciate it.
8 Fifty percent. And I'm not trying to be a smart guy, but
9 that's a lot more than we get in recycled content in --
10 And for all the wrong reasons, I want to be able to have
11 that information because it sort of crystallizes what the
12 problem is. We can get it in our fish when we deal with
13 it as a waste product, but we can't get it in our new
14 products even when the price of oil is going to go up
15 through the roof if we keep going on this path that we're
16 on. People better get smart.

17 All right. Thank you very much. I appreciate
18 it.

19 CHAIRPERSON JONES: Mark Murray.

20 Now, this is my last public speaker on this
21 issue.

22 That's all we've got, right?

23 Just letting people know.

24 MR. MURRAY: Thank you, Mr. Chair and Members.
25 Mark Murray with Californians Against Waste.

1 And I've got -- they're going to pass out a --
2 I've got five pages of detailed comments on this, but I
3 don't want to distract you with those comments right now.

4 I think that if you and the staff were to embrace
5 all of our comments on this White Paper, not a single
6 additional plastic container would get recycled.

7 I appreciate the time and the energy that your
8 staff and the consultants have put into this issue. I
9 have a great deal of respect for the consultants and for
10 your staff. But this is an issue that we're not going to
11 solve with another White Paper. This is an issue that,
12 frankly, we've been debating for almost exactly a decade
13 now in terms of public policy. And I am -- I can't help
14 but note that the solution that the industry is proposing,
15 as Ms. Nelson presented earlier in terms of variable can
16 rates and increasing collection, is the exact same
17 solution that the industry was proposing ten years ago.

18 Within this report there is very -- the synopsis,
19 to me the crystal, in Mr. Jones' words, of the solution
20 that we need here. And, that is, the Statement that --
21 the recommendation that we need to internalize the
22 economic and environmental externalities associated with
23 plastics.

24 To me, that's it. That's the beginning and the
25 end of the discussion here. The rest -- again, great deal

1 of respect for time and energy that went into this. But
2 the rest of the details in that report are really
3 extraneous to the need for that kind of public policy.

4 And I'll be the first to say that through
5 compromise, both by the Legislature and by, frankly, this
6 Board in previous generations, the rigid plastic container
7 recycling policy that you have is not doing the job. And
8 so we need something -- we need to update that policy. We
9 need new public policy that incorporates this idea of
10 internalizing the environmental externalities.

11 And just to maybe illustrate this, we talk
12 about -- we have a debate going on between the industry,
13 local government, recyclers, and the environmental
14 community as to whether -- it's kind of like a "chicken or
15 egg" argument. Is the problem that there's not enough
16 markets or there's not enough material being collected?

17 Well, one of the things that I've learned from
18 you, Mr. Jones, is that when there's a problem with the
19 markets, the way that the marketplace signals that there's
20 a problem is by price. And the price that the marketplace
21 is communicating to recyclers right now is when you
22 collect this material, these plastic -- this plastic waste
23 for recycling, you don't get paid money for that material,
24 you pay money to get rid of it. And right now the
25 Department of Conservation is doing the best -- is putting

1 together the best numbers in terms of the cost of managing
2 this part of the wastestream, \$750 per ton or more for
3 managing this plastic waste.

4 Now, we put a lot of time and energy scrambling
5 in the last several months -- last 18 months dealing with
6 the electronic waste issue. The cost of managing plastic
7 waste exceeds the cost of managing electronic waste. And
8 there's more plastic in the wastestream than there is
9 electronic waste. Now, that doesn't mean we shouldn't be
10 doing something about the electronic waste problem. But
11 just to kind of put it in a context, that we've got a
12 waste management problem with an economic -- a cost of
13 managing that exceeds the electronic waste problem. And
14 that's not even looking at these very real and serious
15 problems associated with plastic waste in the marine
16 environment, in terms of the impact on wildlife, and the
17 obvious impacts of plastic waste on litter.

18 I'm concerned that even following this White
19 Paper through to its logical conclusion, where are we?
20 Where does it take us? I'm concerned that it's just going
21 to be another one of these processes that serves as a
22 distraction from the real need for public policy, state
23 legislation that mandates that manufacturers of these
24 materials take financial and development responsibility
25 for recycling this part of the waste stream.

1 And so I ask that once we get the information
2 that you need out of this White Paper, that we put this
3 process out of its misery; and we hand this issue over to
4 the Legislature and demand from them clear public policy
5 that addresses the full scope of the plastic waste
6 problem; and not pretend that we're going to address this
7 problem through some collaborative White Paper process
8 that's going to take two more years and that industry will
9 just use as the excuse for not pursuing something in the
10 legislative arena because the Waste Board is working on
11 this issue. And you know that that's exactly what they
12 said in opposing the Chesbro legislation when this --
13 before this White Paper process was started.

14 So I'm just asking you that -- unless you see
15 something that I don't see in this process, that let's end
16 it once the report is completed and give clear direction
17 to the Legislature that you need greater authority, you
18 need a policy to deal with the plastic waste problem.

19 Thanks.

20 CHAIRPERSON JONES: Questions?

21 Thanks, Mr. Murray.

22 Okay. Those are the last of our speakers.

23 You're looking for -- if you're looking for
24 comments from the Board or whatever, I don't know if
25 members have any comments that they'd like to make right

1 now or if they'd like to, you know, digest the information
2 that we heard today and come out --

3 COMMITTEE MEMBER CANNELLA: I'd just like you to
4 respond to the last speaker about what in the White Paper
5 is new, innovative, creative, different than we've been
6 doing in the past?

7 MR. YOUNG: Are you asking staff?

8 COMMITTEE MEMBER CANNELLA: Yes. I'm talking at
9 you and looking at you.

10 MR. YOUNG: Good question, as far as what's
11 innovative. The White Paper does, in my opinion, a very
12 good job of kind of pulling everything all together.

13 COMMITTEE MEMBER CANNELLA: Identifies the
14 problem, but is there not different --

15 MR. YOUNG: It identifies that problem. It lays
16 out some solutions, many of which have been identified in
17 the past, just not all put in one place. It also goes a
18 little bit further with respect to -- I believe it speaks
19 to developing a council of various stakeholders to kind of
20 drive this process and kind of put it through the
21 privatization side of things.

22 As we've discussed and part of what staff will
23 come back with is the options that are not only contained
24 in the report itself, but also other options that perhaps
25 other stakeholders or Board members feel are deserving of

1 additional thought process and exploring. And I know that
2 there are several of those. And that's --

3 COMMITTEE MEMBER CANNELLA: Does that include
4 corporate responsibility?

5 MR. YOUNG: Manufacturer's responsibility --

6 COMMITTEE MEMBER CANNELLA: Manufacturer.

7 MR. YOUNG: -- is one of the approaches in there.
8 And I notice that there's been some general comments that
9 the report basically takes more of a shared responsibility
10 approach as opposed to a manufacturer's responsibility.
11 Those are the kind of things that as we go through this
12 some of the other options that will be looked at can very
13 well include manufacturer's responsibility options. And
14 that's part of what we're looking for guidance from the
15 Committee and Board on other areas that you would like us
16 to look at before we come back with either the final
17 report or at least the action plan early next year.

18 COMMITTEE MEMBER CANNELLA: Because I heard one
19 of the representatives suggest that there wasn't enough
20 materials or there may not be enough materials for reuse.
21 And it would seem to me that if we got into the issue of
22 manufacturer responsibility, then we could plug them in so
23 that they would have a renewable source of the material
24 that they're producing.

25 MR. YOUNG: Sure. And, Member Cannella, that's a

1 very good point. And part of it we are planning --
2 staff's planning on doing is working with the various
3 stakeholder groups across the board -- no pun intended --
4 the various stakeholder groups to flush out these issues
5 and to bring back the pros and cons. There will be areas
6 that the various stakeholders will have consensus on and
7 there will be areas that there is not consensus.

8 This is a collaborative process, not necessarily
9 a consensus building one. Those that are areas of
10 disagreement basically falls back to the decision makers,
11 the Board and the Legislature. But staff will flush out
12 those issues and come back to the Committee and Board with
13 basically the pros and cons and some numbers as far as
14 what the impact would be.

15 CHAIRPERSON JONES: Mr. Paparian.

16 COMMITTEE MEMBER PAPARIAN: Just a couple quick
17 comments.

18 The thought of linking some of what's going on in
19 the report to our strategic plan I think is an important
20 one. I think Mr. Cannella hit on a couple things that
21 really kind of link the report to some of the concepts in
22 the strategic plan.

23 The other thing I sort of note is that -- and I
24 guess we'll be updating the numbers soon of what's being
25 disposed of in landfills. But the indications we have on

1 page 18 are that plastics are second by volume and 5th by
2 weight in terms of materials going into California
3 landfills. And if you look at some of the other
4 categories, you know, like food waste is pretty close --
5 pretty comparable in weight to the amount of plastic
6 that's going into landfills.

7 We're putting a lot of effort in trying to get
8 food waste out of landfills. And I guess I wonder why we
9 can't do more to get more of the plastics out of
10 landfills, which are comparable by weight and certainly
11 much bigger by volume to things like food waste where we
12 are -- I don't mean to single out food waste, but it's
13 something that I note is similar in --

14 MR. YOUNG: Sure. Board Member Paparian, that's
15 a very valid point and that's exactly why the Board, oh,
16 golly, it's been about a year and a half ago now, went
17 forward and proposed this White Paper on plastics, is the
18 realization that it is a big chunk of the waste stream and
19 it's growing really rapidly and we need to get a handle on
20 this.

21 When we first started this process, people were
22 thinking, oh, gee, plastics. Okay, well, plastics isn't
23 very much. It's 8.9 percent, and so on and so forth. But
24 as they started to look at it they're going, well, people
25 really haven't looked at it that hard. They've looked at

1 construction and demolition. They've looked at organics.
2 They're not looking, as you appropriately point out, food
3 waste. But they haven't really looked that hard at
4 plastics. That's exactly what this is doing. It's
5 pulling together the information for the decisionmakers.
6 It's laying out the options and presenting the -- laying
7 out the consensus where there is and laying out the pros
8 and cons for the decisionmakers to make those calls where
9 needed.

10 DEPUTY DIRECTOR WOHL: Mr. Jones, I'd just like
11 to comment, too.

12 Although right now we have some efforts towards
13 food waste, we in reality have two staff people working on
14 food waste. We have ten staff working on plastics, so it
15 really is very disproportionate. I think the issue is
16 that the plastic is just so varied, and the types and how
17 they interact; where food waste is a little bit more
18 homogeneous in that effect, of what you could do with it.
19 So, yeah, the effort is, you know, five times as great
20 really in the plastic arena.

21 CHAIRPERSON JONES: You have two in markets.
22 P&E's got a bunch working on it on the compost side. So
23 there's a few others, you know, other than just two.

24 The one thing that the report talks about is, you
25 know, why recycle plastic, this and that. We've got two

1 programs in California, right? RPPC and Film Plastic. I
2 mean, you know, we need to find markets for a lot of
3 different types of plastics.

4 So how much does this report talk about, you
5 know, the issue of mandating recycled content in every
6 other kind of product made with plastics in California,
7 you know, and creating a market?

8 MR. YOUNG: Sure. Thank you, Member Jones. It
9 mentions mandated minimum content. It does not go into
10 perhaps as much detail as could be the case. And that may
11 very well -- if that's kind of a point of interest, which
12 I agree with, that perhaps some additional information
13 could be there with regards to markets and perhaps minimum
14 content, if appropriate.

15 BOARD MEMBER JONES: I mean technology has to
16 have changed from the days when people said, "You can't
17 include any of this in anything that comes close to
18 cosmetics, doesn't come close to food," doesn't come close
19 to any of these things. Those were the arguments that
20 were held ten years ago. And if this industry hasn't
21 moved forward in ways to protect health and safety by
22 putting recycled content into containers, then maybe they
23 didn't move there because we didn't force them to move
24 there.

25 You know, I get anxious when people talk about

1 collections and -- you know, because I know too many
2 people that struggle every day trying to find markets for
3 this material.

4 And I will share something with everybody. I'm
5 calling around looking for new carpeting for my house, and
6 I called a place, a pretty big carpet joint, and said, "I
7 want to know what the best recycled content residential
8 carpeting you have that's available," and was told why I
9 shouldn't buy it. Not told what was available; told why I
10 should not buy it. And I said, "No, I'm talking about the
11 stuff made of PET." "Yeah, I know exactly what you're
12 talking about. You shouldn't buy it."

13 So we've clearly got a lot of work to do. I'm
14 not sure that the industry just takes care of this by
15 itself.

16 So, you know, I mean I think this report needs to
17 be more expansive to see where the barriers are into
18 including recycled content into more types of materials so
19 that in fact all of these curbside programs that are
20 collecting material have marketplaces for them, other than
21 having to discount it or pay the transportation to get it
22 to somebody that will take it as a low-grade filler, you
23 know. And we owe that to an awful lot of people. And if
24 it's up to number, what was it, four or five, then clearly
25 we ought to be looking at that.

1 Any other questions, comments, members?

2 COMMITTEE MEMBER PAPARIAN: Are you going to ex
3 parte that?

4 CHAIRPERSON JONES: We did get -- was this part
5 of the record, this CAW letter that just got turned in by
6 Mr. Murray on his five points? If it isn't, ex parte it
7 into the group, and we'll give you a copy to include with
8 the record.

9 And then I think you've got a report from the
10 Coastal Commission that you're going to have to ex parte
11 as part of the record.

12 All right, folks.

13 MR. YOUNG: And then we've got Item 17 briefly.

14 CHAIRPERSON JONES: Well, I know, but you're done
15 with this one.

16 So you're going to bring us back this information
17 and you're going to look at a couple of things and listen
18 to some of the comments that the members made as well the
19 public.

20 Okay. Next item.

21 MR. YOUNG: Thank you.

22 Moving along. Discussion of the draft report to
23 the Legislature on the Polystyrene Use and Disposal in
24 California. And again the process going through this is
25 very much the same. I'll just give you a couple of

1 minutes of the background of it.

2 In 2001, Senator Karnette authored a bill having
3 to do with a study of polystyrene in California. We were
4 the ones that were contacted and named in the bill to
5 perform this study. Since we had the White Paper going on
6 at the same time, we negotiated with the contractor,
7 Newpoint Group, to basically fold that in to the
8 activities that they were doing in conjunction with the
9 White Paper.

10 There are various differences between the
11 polystyrene report and plastics White Paper, the biggest
12 being that the polystyrene report is a report to the
13 Legislature. It is coming from the Board as opposed to
14 coming from an independent impartial third party.
15 Accordingly, in review of the report, there's a variety of
16 edits that will probably need to be made. A lot of them
17 center around the need for the report to be a stand-alone
18 document because it's a report to the Legislature, as
19 opposed to referencing back to the Volume 1 of the White
20 Paper. So there'll be a fair amount of edits involved in
21 that.

22 One of the things that surfaced as part -- and a
23 little bit of a pun intended -- that surfaced as part of
24 the review on the background for the polystyrene report
25 was that the reason behind it may not have been so much

1 litter on the street or the general polystyrene in
2 California. It appeared after going through a bit of
3 research and digging that the real reason behind that had
4 to do with the floatable litter issue that Miriam Gordan
5 mentioned a little bit earlier.

6 Down in Los Angeles the L.A. Regional Water
7 Quality Control Board had issued a trash TMDL, total
8 maximum daily load, for litter in the storm system in the
9 L.A. River. That load was zero. So basically the
10 communities down in the L.A. area have about ten years to
11 get the floatable litter down to zero.

12 Cost estimates on that range anywhere upwards of
13 \$400 million, plus -- in capital costs, plus comparable
14 amounts for maintenance and operating expense to maintain
15 that equipment.

16 As you can imagine, that's generated a bit of
17 attention among the local jurisdictions. And as we came
18 through the White Paper process, that kind of emerged --
19 pardon me -- the White Paper and polystyrene report
20 process, that pretty well emerged as one of the larger
21 issues.

22 I do have to kind of give credit where credit is
23 due, that throughout this process there's been a couple of
24 groups that have been very involved, and I just want to
25 kind of recognize them. And, that is, the various

1 polystyrene organizations -- the Loose Fill Council and
2 the Packaging Council and the folks related to the film
3 plastic -- have been very involved and very engaged in
4 this process, and I wanted to recognize them in that.

5 So what we're looking at is on this particular
6 report a little bit of a difference in that it's a report
7 to the Legislature. We're still going through the
8 discussion stage at this point, seeking additional
9 guidance and input. It's a little bit different on the
10 dissemination or the completion of it in that we still
11 come back in December for Committee and Board
12 consideration. Although, at that point, it will be an
13 "approve the report" rather than an "accept."

14 Additionally, then we will go through the process
15 and submit that to the Legislature.

16 CHAIRPERSON JONES: Okay. Any questions of
17 Calvin?

18 Nice job on this report. Again, there's another
19 one that talks a lot about collection. So markets need
20 to, you know, keep getting the upper hand.

21 All right. Anybody else?

22 Good.

23 Thank you very much, Calvin.

24 All right. Item Number 18 or Letter I.

25 DEPUTY DIRECTOR WOHL: Consideration of request

1 to take no further compliance action under the RPPC (Rigid
2 Plastic Packaging Container) Law for the 1997-1999
3 compliance certification, based on company size and/or
4 volume of sales into California.

5 And Michelle Marlowe will present.

6 MS. MARLOWE: Good afternoon, Board Members. I'm
7 Michelle Marlowe of the Plastics Recycling Technology
8 Section. Happy to be here this afternoon to bring you
9 this item, which really represents a culmination of
10 several years' worth of work for RPPC staff, and including
11 myself.

12 And you may recall that I was here in June to set
13 this item up, so to speak. And we're going to run through
14 quickly just the previous Board actions on the issue of
15 small volume with regards to the 1997-'98 certification.

16 --o0o--

17 MS. MARLOWE: And we quickly move through those
18 because you remember what those factors were and we're
19 trying to get Member Jones to a Giants game.

20 Mailed out the certification in July of 2000.
21 And as we moved through the process we got to a place
22 where we approved compliance agreements. And during this
23 process staff became painfully aware that there were a
24 number of really small companies that we managed to focus
25 on in our efforts with the certification, and we felt that

1 their issues were after working with them insurmountable
2 in some cases based on their size and their ability to
3 obtain compliant containers.

4 But as the process evolved companies, maybe
5 outside anyone's definition of small, are also asking for
6 consideration of their issues today.

7 So when we were here in June we suggested some
8 factors that the Board might consider, some parameters to
9 try to help define what a small company might be for the
10 purpose of considering their requests. And in June staff
11 suggested that we focus primarily on the amount of resin
12 being shipped into the State as our primary issue.

13 And then in addition to that issue, some factors
14 that would give us an indication of how big the company
15 was, having to do with its corporate structure and the
16 number of employees and gross annual sales and, more
17 importantly, the number of products in RPPCs.

18 --o0o--

19 MS. MARLOWE: And we're back today to set those
20 parameters and make some recommendations for the list of
21 51 companies in this group.

22 We thought that it was a good parameter to use
23 1,000 pounds of resin as a determining factor of big or
24 small based on an average size bale of reprocessed
25 plastic, and that five product lines was a factor for

1 below or above. And then using size standards set by
2 other government agencies like the Small Business
3 Administration and the Department of General Services,
4 we're going to recommend using a factor of fewer than 100
5 employees and gross annual sales of less than \$1 million.
6 And that's U.S. sales, not just California.

7 And the Board members wanted to know about market
8 share or dominance in the field. And based on the Small
9 Business Administration's Office of Size Standards, a
10 company that's underneath the employee or the gross
11 revenue size standards are considered to be not dominant
12 in their field for our purposes.

13 --o0o--

14 MS. MARLOWE: We today have two options that we'd
15 like to suggest to the Board. Option one would be to
16 grant consideration of the request to take no further
17 action for compliance year '97 through '99 for 12 of these
18 companies. And these are companies that fit at least
19 three of the five factors we just talked about with
20 regards to resin into the State and the annual sales, and
21 those companies that had what we call incidental sales.
22 There were five companies whose primary line of business
23 really was machinery, and they happen to have a small
24 number of RPPCs with a lubricant that they shipped with
25 those various machines. And those companies are being

1 recommended for Option 1 today.

2 Option 2 would be for all of the other companies
3 of companies that don't fit into Option 1. And we're
4 recommending scheduling a settlement negotiation between
5 staff and company. And these settlement negotiations
6 would be for the larger companies. And we would offer
7 compliance agreements, using the standard template, and
8 bring those back to the Board for adoption as we do almost
9 on a monthly basis now, either completing them or bringing
10 in new ones to you.

11 Or we would offer a stipulated settlement
12 agreement with penalties and/or other stipulated
13 environmental actions, and bring those agreements back to
14 the Board for adoption.

15 Or if negotiations didn't go well and didn't
16 result in a compliance agreement or a stipulated
17 settlement, the staff will take those companies forward to
18 public hearing for the purpose of levying fines and
19 penalties, and we turn to the Board for further direction.

20 And with regards to the companies today, you'll
21 see in staff -- in the recommendation for Option 1, 12
22 companies. And I'd like to recommend adoption of those
23 resolutions as they're numbered on Page 18-3.

24 And with the larger group of companies in Group 2
25 we have companies -- I should backtrack, that in Option 1

1 we were dealing with companies that were so small. We're
2 talking a kid operating an Internet site in his garage and
3 we happened to get him in our certification. He had one
4 product, a mildew retardant, and he made less than \$40,000
5 in his first year and had problems with his label with
6 Prop 65. And then several months later we came at him
7 with regards to RPPCs, but we helped him come into
8 compliance, surprisingly.

9 On the other end of the scale we had companies
10 calling and saying, "Gee, we have a small volume into
11 California. Only \$25 million last year."

12 So quite a huge range of stories and situations
13 that we dealt with. And the ones on the end of the scale
14 are the only \$25 million in sales, those companies we'll
15 find in Option 2.

16 CHAIRPERSON JONES: Okay. I have one speaker.

17 MS. MARLOWE: Do you have any questions?

18 You have a speaker?

19 CHAIRPERSON JONES: Any questions by the members
20 before we get the speaker, or you want me to --

21 COMMITTEE MEMBER CANNELLA: Just a technical
22 question, I guess.

23 Is the purpose of this agenda item for the Board
24 to -- there's no resolution here. So are we setting
25 policy and then also setting how we're going to administer

1 that policy?

2 And the second question I have is: Is there
3 three out of five of the different criteria did you set
4 out to determine what a small company is? Or could you
5 explain to me how you determined? Do they have to meet
6 five out of five, four out of five? What's the threshold?

7 CHIEF COUNSEL TOBIAS: Mr. Chair, I'd like if we
8 could to have Ms. Borzelleri explain -- I think she can
9 answer several of Member Cannella's questions. And then
10 maybe Michelle can fill-in behind her.

11 STAFF COUNSEL BORZELLERI: Actually, the basis
12 for recommendations, Michelle can give more detail on
13 that. But I wanted to clarify for the record that the
14 Board is not actually establishing a policy here. These
15 are suggested parameters for the Board to consider. We're
16 not establishing any kind of new exemption. And so the
17 Board can take that and act today on the companies that we
18 have before us.

19 Michelle, did you -- oh.

20 CHIEF COUNSEL TOBIAS: Well, I think you should
21 go on into what the action is that you're asking the Board
22 for this month and what the effect is of what they do.

23 COMMITTEE MEMBER CANNELLA: Of the criteria you
24 outlined about up there, you got less than 1,000 pounds --
25 how many of those do you have to meet to be considered a

1 small company? Like I said, is it three out of five, one
2 out of four, what?

3 STAFF COUNSEL BORZELLERI: I think generally
4 Michelle looked at this and it basically almost -- three
5 out of five was the general way that it fell out.

6 COMMITTEE MEMBER CANNELLA: Could it be one out
7 of five? I mean did we have any language that says in
8 order to be considered a small company, you have to be
9 three out of five, one out of six --

10 STAFF COUNSEL BORZELLERI: Actually, no. There
11 is nothing in statute or regulation that talks about a
12 small company. This is just some guidelines for the Board
13 to look at right now.

14 COMMITTEE MEMBER CANNELLA: Okay.

15 DEPUTY DIRECTOR WOHL: Steve?

16 CHAIRPERSON JONES: Yes.

17 DEPUTY DIRECTOR WOHL: In regard to the second
18 question about resolutions, there actually are resolutions
19 to be approved. We just gave a sample of each for the
20 item, one with Option 1 and one with Option 2. But
21 depending on what companies you do, you would have to
22 approve all of these resolutions.

23 CHAIRPERSON JONES: Okay.

24 All right. I've got one speaker. Mr. Randy
25 Pollack.

1 MR. POLLACK: Thank you, Mr. Jones, Members of
2 the Board. Randy Pollack on behalf of several small
3 companies who are involved with this program. And I'll be
4 very brief. I just had a couple comments.

5 The first issue is that many times that small
6 companies that are caught up in this, a lot of times their
7 products end up in California going through a
8 distributorship. And in order for you to go through a
9 distributorship your business has to probably meet a
10 certain goal, you know, in revenue. And this leads me to
11 my point here, that the million dollar threshold set here
12 for nationwide sales I believe is inappropriate. I could
13 see a million dollar sales for California. But if you
14 think about it, if you have a company on the east coast
15 who sells in 20 states, you're talking about \$50,000 in
16 each of those 20 states that they would meet the threshold
17 here in California and they would come under this law.

18 So I believe that when you look at the federal
19 level, you're talking about \$6 million in national sales.
20 And so I believe that maybe that number should be adjusted
21 as a parameter as part of this program.

22 Mr. Jones, you've got this look like -- following
23 what I'm saying?

24 CHAIRPERSON JONES: I'm giving you the
25 opportunity to sell me. I'm not there yet. Go ahead.

1 MR. POLLACK: That's one issue.

2 The issue is that under Option 2, I'd ask that
3 the Board consider just adding one line to there. After
4 further discussions with these companies, that Option 1
5 may be recommended as part of that criteria. Under Option
6 2 right now you have to reach a compliance agreement, you
7 could be fined, or you would have to do some other
8 recommendations as set by the staff. And I would just ask
9 that the Board be allowed or put it into the criteria that
10 if in talking with the company you realize that they are a
11 small generator, that they should be deemed in compliance,
12 as an alternative.

13 Thank you.

14 CHAIRPERSON JONES: Okay. Thank you.

15 That's a pretty good point. I mean if you're in
16 the middle of this -- with this Option 2 group and you
17 find that, in fact, they do meet your criteria, do they
18 get put into Option 1?

19 MS. MARLOWE: Correct. And in fact I have a
20 suggestion today to do just that, additional information,
21 kind of late, that changes the recommendation for one of
22 those companies and puts them into the small group.

23 CHAIRPERSON JONES: All right. But any of the
24 other ones that are remaining if in your discussions you
25 find that they fall into criteria for small, they can go

1 in there, right? I mean is there a mechanism? Or do we
2 need to add that to the option?

3 DEPUTY DIRECTOR WOHL: We probably should add
4 that. We do have the fact that if they come in
5 compliance, they automatically -- because that's part of
6 the compliance agreement process, if we find out they're
7 in compliance. But we probably should add that feature to
8 it.

9 CHAIRPERSON JONES: Yeah, because Option 1 is not
10 that they're in compliance. It's that they're so small,
11 we're not going to mess with them.

12 STAFF COUNSEL BORZELLERI: That's correct. And
13 actually what Option 2 shows is that you can actually end
14 up there, and then we would bring it back to the Board for
15 you to consider it before it's actually out of the
16 process. So if we do find additional information, our
17 expectation is that as we get compliance agreements coming
18 forward and a number of ways we will probably have some
19 additional agenda items that deal with smaller volume
20 companies, some of which could be part of this 51 today,
21 that we don't have the information on right now.

22 CHAIRPERSON JONES: Okay. Questions?

23 Mr. Pollack was my only speaker on this issue.

24 There's nobody else? Okay.

25 Mr. Paparian.

1 COMMITTEE MEMBER PAPARIAN: I'm ready to move the
2 resolutions.

3 CHAIRPERSON JONES: Go ahead.

4 COMMITTEE MEMBER PAPARIAN: Fortunately there are
5 no missing numbers as I see in the resolutions, so I'd
6 like to move Resolutions 2002-586 through 2002-636.

7 CHAIRPERSON JONES: Okay. So that's Option 1 and
8 Option 2.

9 COMMITTEE MEMBER PAPARIAN: Yeah. There's not a
10 problem with mixing those up, is there?

11 No.

12 CHAIRPERSON JONES: Do we have a second?

13 I'll second it.

14 COMMITTEE MEMBER CANNELLA: I had a question, Mr.
15 Chair.

16 CHAIRPERSON JONES: Any questions?

17 Mr. Cannella.

18 COMMITTEE MEMBER CANNELLA: While we may not be
19 adopting policy, we certainly are setting the precedent on
20 how we're going to determine what a small company is. I'm
21 certainly not going to oppose the resolution, but I think
22 that we need to have some kind of direction or some kind
23 of clarity about -- when we do something like this, it may
24 not be adopting policy, but by the mere fact that we're
25 doing it, we're setting a precedent. And I think that we

1 ought to have a little bit more clarity in what happens
2 when we do set precedent. And, again, I'm not going to
3 oppose it, but I think we need some kind of clarity.

4 CHAIRPERSON JONES: Ms. Borzelleri.

5 STAFF COUNSEL BORZELLERI: I was actually
6 thinking that we can modify the resolutions for each one
7 of these to say that we're not establishing a precedent.
8 Would that help? Or is it sufficient that it be on our
9 record today?

10 COMMITTEE MEMBER CANNELLA: I'm not dealing with
11 each one of these companies. I'm dealing with what we've
12 done. You say we're not setting a -- we're not adopting
13 policy, but we are adopting policy by setting a precedent
14 on how we're dealing and clarifying small companies.

15 COMMITTEE MEMBER PAPARIAN: I think what maybe is
16 being asked for is a future agenda item spelling out what
17 we consider to be small companies and seeking guidance
18 from the Board as to whether that's the appropriate way to
19 do it.

20 CHAIRPERSON JONES: Okay. Are we -- I mean I
21 don't have a problem with that as a future item. But I
22 think that we -- I don't know that we gave it direct
23 knowledge, but we kind of asked our staff to look at the
24 small ones and figure it out.

25 Are we comfortable with this resolution going

1 forward today?

2 COMMITTEE MEMBER CANNELLA: Yeah, I am.

3 CHAIRPERSON JONES: Okay. I just wanted to make
4 sure that we weren't -- that's fine.

5 All right, Jeanine.

6 We've got a motion by Mr. Paparian, a second by
7 Jones.

8 Could you please call the roll.

9 SECRETARY BAKULICH: Cannella?

10 COMMITTEE MEMBER CANNELLA: Aye.

11 SECRETARY BAKULICH: Eaton?

12 COMMITTEE MEMBER EATON: Aye.

13 SECRETARY BAKULICH: Paparian?

14 COMMITTEE MEMBER PAPARIAN: Aye.

15 SECRETARY BAKULICH: Jones?

16 CHAIRPERSON JONES: Aye.

17 Okay. Passes 4-0.

18 Members, on consent?

19 Okay. Yeah, it can be on consent, right? Yeah.

20 We'll put this on consent, and then we'll make
21 sure the members know.

22 We're going to take five minutes because we're
23 getting ready to jump into our Special Waste.

24 (Thereupon a brief recess was taken.)

25 CHAIRPERSON JONES: Okay. We are ready to

1 resume. Mr. Eaton's outside. He'll join us in just a
2 second.

3 Any ex partes?

4 Mr. Cannella?

5 COMMITTEE MEMBER CANNELLA: None.

6 CHAIRPERSON JONES: Mr. Paparian?

7 COMMITTEE MEMBER PAPARIAN: None.

8 CHAIRPERSON JONES: I don't have any either.

9 All right. Shirley, go ahead.

10 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Good
11 afternoon, Chairman Jones and Committee Members. Shirley
12 Willd-Wagner with the Special Waste Committee.

13 Just for means of updating you, on September 24th
14 staff from the Tire Waste Program and the California
15 Highway Patrol participated in our second roadside
16 checkpoint activity under this year's interagency
17 agreement. The checkpoint was conducted at the Azusa
18 Landfill in southern California.

19 The purpose of these activities is to identify
20 waste tire haulers operating within the State and
21 hopefully to increase voluntary compliance of the waste
22 tire haulers.

23 The Azusa Landfill facility is a permanent
24 landfill which accepts waste tires along with other
25 materials, whole and shredded tires, from the public for

1 disposal. The whole tires are processed on site prior to
2 disposal.

3 Azusa has fulfilled their responsibility to us by
4 reporting on any illegal waste tire haulers that have been
5 brought into the facility. And during the event on the
6 24th, 23 vehicles were inspected as they entered the
7 facilities.

8 And violations that were noted included
9 unregistered waste tire haulers, vehicles with no
10 manifests, vehicles with no hauler certificate of
11 registration, vehicles with incorrect or incomplete
12 manifests, and some vehicle impounds. Citations for those
13 above violations were issued by the CHP, and further
14 follow-up enforcement action will also be taken by CIWMB
15 staff.

16 So we'll continue to work with CHP in conducting
17 these checkpoints throughout the State.

18 The other update is just to remind you of the
19 used-oil recycling conference, which will be held
20 September 5th and 6th in Pasadena for local governments,
21 nonprofits, businesses and vendors working in the used-oil
22 recycling business. That's our annual conference.

23 We'll move on now I guess to item Number 2 on the
24 Board agenda.

25 CHAIRPERSON JONES: Hold on one second.

1 Mr. Eaton.

2 COMMITTEE MEMBER EATON: What is the obligation
3 of Azusa with regard to this? Are they cited as well?

4 ACTING DEPUTY DIRECTOR WILLD-WAGNER: No, they
5 are not. They are in full compliance. They just have to
6 report to the Board on a monthly basis of any waste tire
7 haulers that are not -- that are illegal tire haulers that
8 are coming into their facility. So they are in
9 compliance.

10 COMMITTEE MEMBER EATON: But CHP did find some
11 that were unregistered?

12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.

13 COMMITTEE MEMBER EATON: And so was the manifest
14 checked to find out if in previous months these haulers
15 had delivered?

16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes. We
17 have been checking on a monthly basis that they have been
18 submitting their reports.

19 So I'm not following your question, I guess.

20 COMMITTEE MEMBER EATON: If the CHP cites Jones
21 Trucking on that day, okay, that you were there, was the
22 manifest checked in the previous months for Jones Trucking
23 bringing tires as well? Because if they didn't have a
24 proper permit on the day that they were cited, it's
25 probably a pretty good bet they didn't have any kind of

1 permit prior thereto.

2 So, therefore, Azusa by constructive knowledge
3 knew or should have known that they were unlicensed
4 because that's their obligation -- nonpermitted.

5 So the question is, what did they have before?

6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I'll let
7 Don Dier answer that question.

8 MR. DIER: Don Dier with the Waste Tire
9 Enforcement Program.

10 That's one of the things that we'd hoped to be
11 checking on is the past experience of those drivers.
12 Azusa is only obligated to report to us those unregistered
13 haulers. We don't want them to turn them away. We want
14 them to continue accepting the tires just because we don't
15 want them to wind up in the roadside somewhere. But that
16 is one of the things we're going to be doing with the
17 information we get from these checks, is to find out the
18 history of them so that we can go after those individual
19 haulers to prevent them from continuing to haul without
20 being registered.

21 COMMITTEE MEMBER EATON: Right. But Azusa has
22 that obligation. And I'm asking, do they meet that
23 obligation?

24 MR. DIER: They have the obligation to report to
25 us, correct, yeah. And they do that. And that's one of

1 the reasons they were chosen as one of our first places to
2 do it because they do have a goodly number of folks
3 reported each month.

4 COMMITTEE MEMBER EATON: And I'm just saying
5 that, did some of those that were cited show up on their
6 manifests before and Azusa not report them?

7 MR. DIER: I think I'm now understanding your
8 question.

9 COMMITTEE MEMBER EATON: Correct. Because --

10 MR. DIER: I don't have an answer to that right
11 now. That's --

12 COMMITTEE MEMBER EATON: Because that's part of
13 the problem, that you show up on the day and, true to our
14 form, I'm sure we gave them -- how many hours' notice that
15 we were going to be inspecting?

16 MR. DIER: Azusa?

17 COMMITTEE MEMBER EATON: Yeah.

18 MR. DIER: None.

19 COMMITTEE MEMBER EATON: So we just showed up?

20 MR. DIER: Right. We don't come on their
21 property. This is on public road outside of --

22 COMMITTEE MEMBER EATON: Right, on the access
23 road.

24 MR. DIER: Right.

25 COMMITTEE MEMBER EATON: But they have an

1 obligation. But my understanding is is that there are
2 many unpermitted tire haulers that go into that facility.
3 And so the question is, I just want to find out what the
4 obligation of Azusa is. You told me that they have that.
5 And I just was asking, did we go back and check through
6 what they took in, were any of these haulers there
7 previously? In which case if they didn't report them to
8 us, then they didn't fulfill their obligation.

9 MR. DIER: Yeah. Well, we'll check on that.

10 CHAIRPERSON JONES: Thank you.

11 Okay. Right now the next item is Item K, I
12 guess, which is the allocation of the dollars.

13 I have three speaker slips. John Van Daam, Jim
14 O'Donnell, and Jan Tilmon.

15 Are there others that are going to want to speak
16 to this item? Otherwise I'll hold it off till the last
17 item, unless we can get through it.

18 Okay. Let's go.

19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: So do you
20 want to proceed with Item K.

21 CHAIRPERSON JONES: Go ahead and do it, yeah.

22 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay. As
23 you know, this item was heard by the Committee last month.
24 This is the used-oil allocation and contract concepts.
25 Since then, of course, we've added a new Committee member,

1 and a couple of new contract concepts have also been
2 proposed that we reflected in the item at the Committee's
3 direction.

4 This allocation item was postponed by the Budget
5 and Administration Committee last month.

6 And the item itself includes extensive
7 information on the background of the oil fund. I believe
8 the last time we didn't go through that, and I don't think
9 you probably want us to step through that again this time.

10 We can focus on the portion where we're asking
11 for your direction, which is Attachment 4. We just placed
12 a color copy, a hot-off-the-press color version. And we
13 do have an interactive spreadsheet here today to focus on
14 these contract concepts.

15 Kristin Yee will go ahead and discuss the rest of
16 the item.

17 MS. YEE: So should I assume that we just start
18 right off with Attachment 4, not go through the whole
19 overall funding source?

20 CHAIRPERSON JONES: Yeah. We've had this
21 discussion last month, so I think everybody -- Mr.
22 Cannella, are you good with that?

23 COMMITTEE MEMBER CANNELLA: Yes.

24 MS. YEE: Okay. Then I'll just start right off
25 on it.

1 You have before you -- I gave you a copy of the
2 revised copy of Attachment 4 that's color coded. And that
3 includes the concepts of the Special Waste Committee
4 actually proposed at the September 4th, 2002, meeting as
5 well as additional concepts since this item was first
6 presented as well as -- it's color coded. And I will just
7 go through each of the contract concepts so you kind of
8 know what they are.

9 The first thing that you see up there is \$2.62
10 million, which is the total oil fund available. Our
11 mandatory services is \$41,000, which is basically our
12 student assistance. And then there's \$911,000, which is
13 our advertisement.

14 Now, I can go through the details of this 911,
15 which is Table 1 on Page 5 of your agenda item, or we can
16 just go through the contract concepts.

17 Which would you prefer?

18 Table 1 is basically the advertisement, the
19 printing, the premiums. That's all invoice --

20 CHAIRPERSON JONES: Okay.

21 MS. YEE: Would you like me to go into details on
22 that? Or what is the pleasure of the Committee?

23 CHAIRPERSON JONES: Yeah, go into a little bit of
24 detail on that, on Table 1.

25 MS. YEE: Okay. As I said, Table 1, which equals

1 \$911,000, are invoice items, and we don't have to do a
2 contract with that. They're advertisement. And what they
3 are are like public service announcements, media messages
4 that we might have, targeted newspapers or magazines that
5 we might put our used-oil logo on.

6 We also purchase the CalMax and WRAP
7 advertisement. And that was per the Board instruction
8 last year, that we should have CalMax as the annual
9 recycling trade show as part of our continuous invoice
10 line item. So you'll see reflected on Table 1 for
11 advertisement we have CalMax at \$33,000. And if you want
12 to look at other than the screen, that's on Page 5 of your
13 agenda item.

14 And then the premium -- printing we do
15 advertisement with the Office of State Printer. We've
16 published in the DMV magazines every year in terms of our
17 used-oil message.

18 Our premiums, our promotion items that we've
19 provided different events and expos and fairs. And our
20 used-oil recycling logo as well as our 1-800-Cleanup
21 number is put on every single one of our premiums.

22 Our booth and conferences are conducted -- we do
23 outreach activities and they're conducted at our
24 conferences and expos.

25 And the Board proposed our own expo of annual

1 recycling trade show every year. And we've committed
2 \$75,000 to the trade show as a line item.

3 Our curriculum printing is basically our earth
4 resources and support of the environmentality, which is a
5 Disney-sponsored resource conservation program. And
6 that's through our Office of Integrated Education.

7 So that pretty much concludes Table 1, which
8 equals \$911,000 that are invoice items.

9 CHAIRPERSON JONES: Okay. Any questions on Table
10 1?

11 All right. That's stuff that's always
12 continually been appropriated by --

13 MS. YEE: Exactly.

14 COMMITTEE MEMBER EATON: Who's the printing
15 through? State Office of Printing?

16 MS. YEE: Office of State Printer usually.

17 CHAIRPERSON JONES: Okay.

18 MS. YEE: Okay. Then in terms of our contract
19 concepts, that's the last phase of this agenda item.

20 So from the Attachment 4 sheet you see the \$2.62
21 million, \$41,000 subtracted, \$911,000 subtracted, you have
22 a total \$1.668 million to disburse. And that is made up
23 of our contract concepts. And you'll see as you go down
24 the line items -- I'll go through each one of them.

25 The first one is the Coastal Commission. And

1 that's for \$198,000. And that is to do our DOT walkers
2 and outreach.

3 The Used-Oil Forum is something that we do
4 annually. It's our statewide conference for all of our
5 grantees, our recycling oil industry personnel, as well as
6 our business individuals who promote oil products and
7 services.

8 Concept Number 33, the Social Marketing Pilot.
9 We're planning to hire a consultant to do a social
10 marketing pilot to promote used-oil recycling in three
11 local jurisdictions so that we can inform the Board about
12 the barriers and benefits of oil recycling in the
13 communities.

14 Re-refined Oil Outreach, Contract Concept Number
15 34. And this is to conduct an outreach program to
16 encourage the distribution as well as procurement of
17 re-refined oil, and also to determine the barriers to
18 distribution and procurement.

19 Contract Concept Number 35, the Stormwater Guide.
20 Local jurisdictions are currently seeking to purchase
21 drain storm filters.

22 CHAIRPERSON JONES: And this is going to be an
23 evaluation of those different best management practices.

24 MS. YEE: Right. Basically, it's going to be a
25 tool for them to use.

1 CHAIRPERSON JONES: Okay.

2 MS. YEE: The Grant Writing Workshop is -- this
3 is color coded pink because that indicates that it was
4 actually approved back in May of 2002.

5 And it's been determined that a lot of the
6 applications that we're receiving, they're not passing the
7 score because of poor grant writing techniques. So,
8 consequently, GAU is going to be hiring a contractor
9 through Sac State to organize and provide workshops on
10 grant writing techniques.

11 Contract Concept Number 41, Training for Fleet
12 Managers. This and the other items highlighted in yellow
13 before you are items that were proposed at the Special
14 Waste Committee on September 4th.

15 This is a training for fleet managers that would
16 provide funding to provide outreach programs, training,
17 and research material on the use of re-refined motor oil
18 to both state and private fleet managers.

19 Contract Concept Number 40, Evaluation of
20 Advertisement Campaign. Again this was proposed at the
21 Special Waste Committee. And this is to evaluate the
22 differences between the various types of media of
23 advertisement and to determine which is most effective in
24 getting people to change their behavior. And if selected,
25 what was said at the Special Waste Committee, that we just

1 wanted to make sure that whatever media we use, that it
2 meshes with the Office of Public Affairs communication
3 strategy.

4 Contract Concept Number 36. I'm going to skip
5 over Contract Concept Number 36 because there's five
6 options on that. And I want to leave that for last since
7 there are speakers for it.

8 I'll go to Contract Concept Number 37, Waste
9 Characterization. This is proposed by the Division of
10 Planning and Local Assistance. And they will work with a
11 contractor to do a statewide characterization of the
12 disposed waste as well as used-oil containers and filters.

13 Contract Concept Number 39, it's the Motion
14 Picture and Entertainment Industry Sustainability Project
15 with UCLA. And this is to determine -- basically to bring
16 together all of the key players in the entertainment field
17 to green their industry.

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We should
19 probably point out there -- excuse me, Kristin -- that at
20 the last Committee meeting the proposed amount was \$25,000
21 from the oil fund, and it has been since recommended to us
22 that that portion of the used-oil fund be increased to
23 \$100,000. That's why you note the difference there
24 between \$100,000 and the Special Waste Committee looked at
25 \$25,000 last month.

1 MS. YEE: Right. And that's why it's color coded
2 blue.

3 CHAIRPERSON JONES: How much do we give out of
4 the IWMA? Fifty?

5 MS. YEE: Fifty.

6 CHAIRPERSON JONES: Okay.

7 MS. YEE: Okay. Contract Concept Number 38.

8 CHAIRPERSON JONES: Hold on a minute.

9 MS. YEE: Is there a question?

10 CHAIRPERSON JONES: Yeah. Mr. Cannella.

11 COMMITTEE MEMBER CANNELLA: Well, I would like
12 some clarification what this program is all about. What
13 is the expected result of this \$25,000 with UCLA and the
14 film industry?

15 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yeah, I'm
16 not sure if I'm the right person really to address this.
17 This is a contract concept that came to us through the
18 Governor's office and through the Waste Prevention and
19 Market Development Division. And Judy Friedman might have
20 a little bit more information on that.

21 MS. FRIEDMAN: Thank you.

22 Good afternoon, Board Members, Committee Members.

23 This is kind of a multi-tasked effort here.

24 We're looking at working with the motion picture and
25 entertainment industry on a sustainability project to look

1 at essentially the greening of the industry, both in terms
2 of their actual practices as well as in terms of the
3 influence that they can provide to everybody. And we all
4 know the motion picture industry is very influential in
5 what they do.

6 So in terms of used-oil aspects, we're looking at
7 the greening of their fleets and all their transportation.
8 And there's a significant component of that in every
9 aspect of motion picture development.

10 COMMITTEE MEMBER CANNELLA: So this is to provide
11 money for them to include in feature films?

12 MS. FRIEDMAN: Well, it could be everything from
13 their own practices, their purchasing, the way they build
14 sets, the way they dispose of materials, and, you know,
15 basically not dispose of, we're looking at for recycling,
16 the messages that are given out in the entertainment
17 industry. It's looking to have all of the heads of
18 studios adopt sustainability plans.

19 COMMITTEE MEMBER CANNELLA: And \$25,000 will do
20 that?

21 MS. FRIEDMAN: Actually, the item you may --
22 allotment that the Board has already provided is \$50,000,
23 and we're looking for another \$100,000 from the used-oil
24 fund.

25 COMMITTEE MEMBER CANNELLA: So we're talking

1 almost \$200,000 to do what you've just outlined?

2 MS. FRIEDMAN: One hundred-fifty thousand
3 dollars, correct.

4 COMMITTEE MEMBER CANNELLA: Okay.

5 CHAIRPERSON JONES: All right. You know, the
6 other issue that we ought to be looking at too is you're
7 working -- because I know this came out of, I think, Mr.
8 Medina's office or his committee -- with the more
9 independent filmmakers that are out there, as opposed to
10 the big studios. That kind of fractures the message
11 you're going to have to bring, because you're not going to
12 be bringing it just to Metro-Goldwyn-Mayer and Paramount.

13 You're going to be going to, you know, Hard Rock
14 and Castlerock and everybody else's name that you see on
15 these things. So you may want to, you know, think that
16 through a little bit on -- and I understand you just are
17 dealing with what we allocated, so that's fine. But I
18 think it's a pretty big task just from the standpoint that
19 there aren't just five or six major studios.

20 MS. FRIEDMAN: Well, we will be looking to be all
21 inclusive. In fact, one of the tasks is a motion picture
22 industry summit to try to bring all the players involved
23 and to get buy-in from throughout the industry. So
24 whether that's independent or heads of studios, we'll be
25 doing our best with the contractor.

1 CHAIRPERSON JONES: Would that be a summit we're
2 going to put on, or are we going to attach onto something
3 that these guys do as an industry?

4 MS. FRIEDMAN: This would be part of this
5 contract. We would be working with the contractor to
6 develop the summit.

7 CHAIRPERSON JONES: Okay. So does their industry
8 have technical-type, big convention-type workshops, other
9 than the Academy Awards and that? But I mean real stuff?

10 MS. FRIEDMAN: Well, you know, I am just now
11 getting up to speed on this stuff. I don't know all the
12 details of what their industry does. But I do know though
13 that there have been several efforts that the motion
14 picture industry has done throughout that, you know,
15 relate to this area. So we're going to look at
16 capitalizing on that as well.

17 COMMITTEE MEMBER CANNELLA: Does that mean Arnold
18 Schwarzenegger has to carry a sign that says with
19 Terminator 3 he's 100 percent or 50 percent reusable
20 material.

21 (Laughter.)

22 MS. FRIEDMAN: We'll be also looking for any
23 creative ideas that anybody has on this as well.

24 CHAIRPERSON JONES: All right. Thank you.

25 COMMITTEE MEMBER EATON: Well, I think one of the

1 suggestions would be is perhaps to run one of their fleets
2 on used or recycled oil might be part of the contract, I
3 would think. That would be worth your bang for your buck.
4 Because they can talk about a lot of things, but they run
5 the fleets, and that's really what you're looking for, if
6 they can get that going. And providing them a tank with
7 their on-site facilities to a larger place or their
8 lubricants that they use for all their high-tech sliming
9 and stuff like that that they use, then you have something
10 that you can utilize. But to sit there and just talk
11 about what they might do, because of the oil money that's
12 involved here, it has to be oil related. So from that
13 prospect that's really going to be something that exposes
14 the Board to liability issues.

15 CHAIRPERSON JONES: Right. Thanks.

16 MS. FRIEDMAN: Absolutely.

17 Thank you.

18 CHAIRPERSON JONES: Okay.

19 MS. YEE: Okay. Moving on.

20 Concept Number 38. This is the Video Game
21 Development Feasibility Analysis. And this Contract
22 Concept is to provide seed money to determine the
23 feasibility of developing a video game about recycling
24 used oil and other materials.

25 Contract Concept Number 42. This is the Buy

1 Recycled Certification Audits. Currently, the State
2 Controller's Office is auditing state agencies that has
3 fleets to verify the level of use of re-refined oil which
4 are reported on our annual SABRC reports. So the audit
5 would determine use level of re-refined oil with state
6 agencies.

7 And so our last contract concept is Contract
8 Concept Number 36, which is the advertisement. And in
9 this contract concept the Office of Public Affairs
10 presented several options to advertising recycling used
11 oil and oil filter through the various media. I'll lay
12 them out for you. And there are five different options.

13 The first option is the radio advertising through
14 KFI AM in Los Angeles and KFBK AM in Sacramento for
15 approximately \$100,080?

16 The second option is the TV sponsor Eco-Talk on
17 CBS Evening Magazine in the Bay Area for \$107,000.

18 The third option is the pump-top signage. The
19 recycling used oil message would be on the gas station
20 pump posters, and that's for \$93,300.

21 The fourth option is the magazine advertisement
22 with Southwest Spirit Magazine for approximately \$100,000.

23 And the fifth option is the California Heartland
24 TV sponsorship on public television in Sacramento for
25 \$100,000.

1 So as you can see, they're all about a hundred
2 thousand. And the total dollar amount for this was
3 originally \$100,000 to \$200,000.

4 And the Public Affairs Office recommended Option
5 Number 1, which was the radio advertising. Waste
6 Prevention and Market Development recommended Option
7 Number 1 and 5, which is the radio advertising as well as
8 Heartland.

9 But during the Special Waste Committee the total
10 dollar amount was increased to \$400,000, with the
11 direction that whatever option we selected, it would be in
12 line with the Public Affairs communication plan.

13 So you have the opportunity now to select any of
14 the five options, not to exceed \$400,000; or you can
15 change the dollar amount, which totals \$500,380; or you
16 can select none of the options and wait until the
17 communication strategy is completed.

18 But before -- let me just say one other thing.
19 I'd like to mention that these options do require
20 sole-source agreements, which, at this time, may be kind
21 of difficult to justify.

22 Additionally, if you are interested in choosing
23 Option 5, which is Heartland, there is a timing issue.
24 Their season is from October to September, so Heartland is
25 time sensitive.

1 And I would like to present a short list of the
2 pros and cons of Heartland, which may help you in making a
3 decision.

4 The pros for Heartland is that it's a wide range
5 market and visibility, which includes prime-time audience
6 in urban and rural markets.

7 Number 2, it's broad-based message using used
8 oil, tires, and waste prevention issues.

9 Number 3, it repeats broadcasts for long periods
10 of time that significantly increase our dollar value.

11 Number 4, it's an independent third-party
12 endorsement for CIWMB messages.

13 The cons: It is the wrong demographic in
14 audience. It draws men and women over 50. Our DI wires
15 are between 18 and 49, usually male.

16 And, Number 2, there's no editorial control. We
17 can't fine tune the ads on daily, weekly, or monthly
18 basis. And we can't really design the focus of content of
19 our message.

20 Number 3, there's no connection between the ID
21 and the stories. So no one really knows that the story
22 was generated or connected to CIWMB other than our logo.

23 Number 4, there's less than 50 hits per month on
24 our Board link to the Internet.

25 And so this pretty much concludes the contract

1 concepts on this agenda item.

2 And just as a reminder, any funds that aren't
3 used this fiscal year can be carried over or it can be
4 funded later this year. And so we don't really lose our
5 funds, but it is continuously appropriated.

6 So what the staff would like to recommend is that
7 the Board approves the allocation outline in Table 1 and
8 adopt Resolution 2002-469.

9 And now we'd like to request the Committee
10 provides us direction on the contract concepts proposed
11 and recommend the funding level and which contract
12 concepts you would like to add.

13 CHAIRPERSON JONES: Okay. Any questions or -- I
14 do have three speakers -- well, actually two speakers.

15 COMMITTEE MEMBER EATON: Do we have any pros and
16 cons on the other, or you just decided to just choose one
17 as the pros and cons?

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We were
19 specifically asked on the pros and cons for that. So this
20 was just sort of a little bit of follow-up direction. We
21 do have -- we mentioned the one problem with many of these
22 is the sole-source problem.

23 And also on all of the outreach we can wait until
24 the communication strategy is presented, and then the
25 advertising could become part of that communication

1 strategy.

2 COMMITTEE MEMBER EATON: So as one of the cons
3 you had was the demographic for Heartland is women 50 and
4 over, who don't change their oil. And, yet, we're seeking
5 to try to get to 18 to 49. So that you want us to approve
6 that knowing that the demographic is not with what we're
7 looking at.

8 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We wanted
9 to point out that concern. I mean we have sponsored this
10 in the past --

11 COMMITTEE MEMBER EATON: More than a concern. I
12 mean it's like -- you know, if you're marketing to
13 do-it-yourselfers, and those individuals based on all our
14 experience are between 18 and 49, why would we market to
15 someone whose demographic was 50 and over who don't do
16 that?

17 Yeah, it is a concern.

18 CHAIRPERSON JONES: Anybody else before we hear
19 the speakers?

20 I mean just the one thing on California
21 Heartland. I think that it's not just the message of used
22 oil. It's the message of composting. It's the message of
23 a whole lot of things. And in that demographic, these are
24 the users. You know, with the agricultural community is
25 that we have to look for to get composting into those

1 fields, you know, if we're ever going to hope to be
2 sustainable.

3 I agree with what you say, Mr. Eaton, about the
4 demographic of the used oil. But you know what, all those
5 50 year old women all got young kids that are driving hot
6 rods, and they're the ones that are going to tell them to
7 do it the right way.

8 I'm going to --

9 COMMITTEE MEMBER EATON: Because they're home
10 watching that TV show, Mr. Jones. I'm sure they are.

11 CHAIRPERSON JONES: The mothers are, absolutely.
12 The mothers are.

13 COMMITTEE MEMBER EATON: That along with sponge
14 bob and square pants.

15 CHAIRPERSON JONES: I've got two speakers from
16 KVIE, from California Heartland. Jim O'Donnell and Jan
17 Tilmon.

18 MS. TILMON: Good afternoon, Chairman Jones and
19 Members. I am Jan Tilmon, Vice President for Content at
20 KVIE public television in Sacramento. And with me is my
21 colleague, Jim O'Donnell, also from KVIE.

22 And we are here to speak on behalf of California
23 Heartland and encourage your support for continuing that
24 wonderful relationship that we've had.

25 I guess I'll speak first to the demographic.

1 Yes, in fact we've got a lot of 50-plus year old
2 women and men. We also have a lot of 25 to 49 year old
3 viewers. And, surprisingly enough, for California
4 Heartland we have in the audience demographic teens and
5 preteens. And the reason for that is because the program
6 is shown statewide throughout California and is on several
7 times a day. Because we have been producing the program
8 for six years, it is now in what's called Encore. And so
9 in addition to the new prime-time and weekend programs
10 that we'll be producing in season seven, stations who are
11 completely committed to California Heartland are stripping
12 the program and airing it at various times throughout the
13 day.

14 So people who are in going and working out at
15 noon time are watching California Heartland, moms who are
16 home are watching California Heartland, kids who are
17 coming home after school are watching California
18 Heartland. We actually are surprised ourselves about the
19 diversity of the audience that's watching the program.

20 But what you said, Mr. Jones, about the
21 responsible adult helping to carry the message is probably
22 the most significant benefit of a relationship with this
23 program. This is such a well composed audience. These
24 are the people who are activists. They're the people who
25 will speak to a cause, who will carry a message, who will

1 attend meetings, write letters, and talk to their kids.
2 And that is one of the benefits that we see in your
3 association with California Heartland.

4 I'd also like to speak to another one of the
5 issues that was raised as a con, and that's not having
6 editorial control. We see that not as a con, but as a
7 real benefit. This is essentially a third-party
8 endorsement. We do retain editorial control of the
9 content of the programming. It's a mandate that we have
10 to do that. However, we are not the content experts. And
11 so we always work with the people who, in fact, are the
12 experts on these subjects. And we have had a wonderful
13 relationship with the staff here. They have been able to
14 lead us to stories. We have done at least three dozen
15 stories that are directly related to the environment. It
16 is all kinds of waste and recycling, including oil.

17 We hope to continue that partnership. We have
18 been absolutely delighted with our relationship with this
19 staff and how helpful they've been to us.

20 Probably one of the most important aspects of
21 this is the way that the stories are told. They are
22 stories. It is entertaining. It is interesting. Instead
23 of lecturing or disseminating a lot of information on
24 white papers, for example, it is a way to tell the story
25 in a friendly environment, particularly with those likable

1 and credible people who are doing Heartland, George
2 Reading and Pat McConahay. These are people that the
3 audience are comfortable with, they're stories they enjoy,
4 but there's always a message. And your staff has been
5 very helpful to us in being able to craft that message and
6 do it in an entertaining way.

7 As an added benefit of the association with
8 California Heartland we have worked with the staff in
9 other ways, particularly in the area of social marketing.
10 And that's where my colleague, Jim O'Donnell, comes in.
11 He spent a couple of days with the staff recently, and
12 he's going to tell you a little bit about that.

13 Jim.

14 MR. O'DONNELL: Thank you, Jan.

15 Good afternoon.

16 One of our relationships from the current
17 contract was that I came here and spoke with staff across
18 a number of committees -- or a number of divisions and
19 talked about getting the word out. And at the same time I
20 was quite pleased to learn a lot about what it is they're
21 trying to accomplish and some of the things that they're
22 having challenges in getting the word out.

23 And when we learned of that and then compared to
24 some research that we had about opinion leaders in our
25 audience, I was pleased to be able to provide staff with

1 some additional information about the quality that Jan
2 referred to about the public television audience. While
3 it's true that Board Member Eaton's comments have some
4 validity with regards to the composition of our audience,
5 one of the things that I think it's real important for the
6 Board to understand, that the broad message that was
7 referred to by Kristin as one of the pros of California
8 Heartland is reaching an audience that is significantly
9 disposed to spread the word in kind of a social viral way.

10 Our opinion leaders in the marketplace appear in
11 public television in California Heartland audience to a
12 far greater degree than they appear in the general
13 population. And these are the people that are going to
14 take the word of all kinds, about the environment and
15 about recycling, out to the people in their community, as
16 Janet mentioned. They're far more likely to communicate
17 at public meetings, to speak to elected officials, to talk
18 to their neighbors, their friends, their families about
19 concepts that they'll see in public television
20 programming. And we think that's important. And while it
21 is not always focused on the used-oil message, it's
22 absolutely focused on the message of recycling and the
23 Board's -- and, in fact, a number of the goals listed
24 right on the spreadsheet there.

25 And so we think that that's absolutely important.

1 And as we've learned in this recent round of meetings with
2 staff, you know, we hope to integrate that into future
3 relationships and make sure that that word gets out in a
4 way that's appropriate to the whole Board.

5 CHAIRPERSON JONES: Okay. Thank you.

6 Any questions?

7 Okay. John Van Daam and Bill Cosden are here to
8 ask -- they're available to answer any questions. They're
9 associated with the Item 38, which is the video game
10 development feasibility analysis, for \$40,000.

11 And I should ex parte that I've been working with
12 John on a concept for a video that hopefully would go on
13 public television, that doesn't preach a story, but sort
14 of will try to elicit discussion about how we can start,
15 you know, getting people to understand that without buying
16 recycled, they're not recycling; and start getting the
17 whole issue of buy-recycled more in a framework so that
18 they understand when they put this stuff out at the curb,
19 that if it doesn't go through a manufacturing process, it
20 doesn't work.

21 So I have to ex parte that I am working on a --
22 John had a group of about 20 of us last Friday down in
23 Marin working on that. I'm not working on the video. But
24 I wanted to ex parte it to at least let the members know
25 what my association is with Mr. Van Daam.

1 So if anybody has any questions on the video game
2 development feasibility analysis, those two folks are here
3 from Marin County to answer any questions.

4 All right. Mr. Paparian.

5 COMMITTEE MEMBER PAPARIAN: Yeah, I guess this is
6 the time to talk about what's on the spreadsheet and --

7 CHAIRPERSON JONES: Right.

8 COMMITTEE MEMBER PAPARIAN: And the new
9 suggestion down there at the bottom, the Item 42, the
10 buy-recycled certification audits for \$50,000, I'd
11 certainly like to see that as one of the items that's
12 funded. It looks like there is -- if you go from our
13 prior recommendations, we had about \$1.3 million out of
14 \$1.6 million-plus that was available. So it seems like
15 the funding is available to add some items, and I think
16 that would be a worthy one.

17 CHAIRPERSON JONES: This is going to obviously go
18 in front of Budgets and then go in front -- I'm sorry.
19 What, Mr. Eaton?

20 No, 1.668 is available.

21 We have two requests -- I mean we can --

22 COMMITTEE MEMBER EATON: I'm just trying to find
23 out what's requested. It says those requested 1168. And
24 then what's available? I'm just looking at how much
25 money's available.

1 CHAIRPERSON JONES: One point six six eight --

2 MS. YEE: Okay. If you look on the list, on your
3 list in front of you, you have the total of 1.668
4 available to you. On the very bottom where it says
5 Special Waste Committee, the bottom line was \$1,303,000.

6 COMMITTEE MEMBER EATON: I've got you.

7 Okay. I see it now.

8 MS. YEE: So if you do the subtraction, you have
9 about \$300,000 left.

10 COMMITTEE MEMBER EATON: Okay. I got it.

11 MS. YEE: So as Board Member Paparian just said,
12 you like to commit the \$50,000. James just punched in
13 \$50,000, and so -- but it's behind you. Now your total is
14 \$1.353 million.

15 CHAIRPERSON JONES: Okay. Anybody else?

16 Mr. Cannella.

17 COMMITTEE MEMBER CANNELLA: I guess I have to ask
18 about the appropriateness of spending \$40,000 for a video
19 concept that's going to be marketed in the private sector
20 from the oil account.

21 Is that something that you routinely do? This is
22 a private sector -- how could I say? -- venture. Do you
23 want to develop something that you can market? Is it
24 appropriate for us, the Board, to be funding this type of
25 an effort?

1 And, secondly, I think Mr. Paparian was talking
2 about editorial control. If the Board allocates \$40,000
3 for this, what kind of editorial control does the Board
4 have? Do we want to be responsible for anything and
5 everything that's put on the video or the tape or the CD,
6 whatever's going to be done? And, you know, for me to
7 approve that I certainly need to have those questions and
8 whatever else pops up in my head as you discuss it.

9 CHAIRPERSON JONES: Mr. Peck.

10 MR. PECK: Thank you, Mr. Jones. Chris Peck from
11 the Public Affairs Office.

12 This concept came forward -- it was an
13 unsolicited proposal to the Board. And in my best
14 understanding of the concept, it is to do -- essentially
15 the feasibility is the front-end work to prepare this
16 concept to take to somebody who might fund the ultimate
17 development of it. We're not sure that this is going to
18 be a commercially viable project.

19 We have spoken with the proponents about the
20 eventuality that that does happen. And they have
21 committed to me, and I think they're probably prepared to
22 tell the Committee members today, that they're willing to
23 negotiate what the Board would like in terms of making
24 this available. Because schools is a big part of their
25 audience, making it available at cost, perhaps at the

1 most, at the highest, to schools in California for -- I
2 don't know whether it would be a limited period of time or
3 an unlimited period of time.

4 You also asked about the question of editorial
5 control. While we're looking for funding from the
6 used-oil account to help fund the study, at the same time
7 we're also allocating staff resources in the Diversion
8 Planning and Local Assistance Division, Pat Schiavo's
9 division. The proponents have asked for some assistance
10 in making sure that they accurately portray the recycling
11 business. And Pat's shop is going to do that. So in a
12 sense we're really talking about split funding this
13 concept between the oil account and the IWMA, which would
14 be funding the staff end of it.

15 COMMITTEE MEMBER CANNELLA: All the other
16 requests for funding don't market anything. They go out
17 to the private sector and sell something. They're
18 providing a community service. This is the only one on
19 here that proposes to have a state agency fund the
20 feasibility of what they want to do, as whether the market
21 is there or not, and then turn around, develop it, and
22 sell it back to taxpayer funded institutions like schools.

23 There's a major difference between the request
24 for this and all of the other requests for funding.

25 MR. PECK: I don't disagree with you, Mr.

1 Cannella.

2 Again, what they have agreed to do is to give
3 back to the State some value that we would agree on in
4 terms of making available to schools.

5 COMMITTEE MEMBER CANNELLA: Well, I guess I have
6 to ask somebody --

7 CHAIRPERSON JONES: What about them?

8 COMMITTEE MEMBER CANNELLA: Well, just before we
9 get to them.

10 Has the Board ever funded a private sector
11 business to find out whether they have a good idea or not
12 to go out and sell something to the public? Is this a
13 change of tradition where we have not allowed the private
14 sector companies to come in here and get funded to go out
15 there and find out if they indeed have a market that the
16 public wants to buy -- I mean, an item that the public
17 wants to buy?

18 EXECUTIVE DIRECTOR LEARY: Maybe before we wing
19 an answer to that, there's nothing wrong for the Committee
20 to leave some money on the table. We don't have to
21 allocate all the money today. If we want to do some
22 further research on that issue or any other issue coming
23 before the Committee today, we can hold off on this.

24 I sense some discomfort on this item and maybe
25 another one. I just offer that for the Board's

1 consideration, is that we don't have to move this whole
2 thing today. I don't have an answer. I don't have the
3 history with this organization. Maybe some other folks
4 here do. But we can certainly do that research for Mr.
5 Cannella.

6 CHAIRPERSON JONES: Do either of the --

7 MR. COSDEN: This is John Van Daam.

8 MR. VAN DAAM: John Van Daam.

9 MR. COSDEN: And I'm Bill Cosden.

10 And I think there may be a misnomer in the sense
11 of feasibility, and I'd like to address that. And just
12 briefly have John tell you his background, how we came up
13 with this idea.

14 And the concept here is -- if there's commercial
15 value to this, that's one thing and we'll address that.
16 But the concept here is to educate kids. That's the
17 genesis of this, to create a -- at the earliest level we
18 can have, a consciousness of environmental issues and
19 recycling. And that's really the genesis of it. So it's
20 not feasibility and a study of saying, "Geez, we've come
21 up with a new widget. Is the public going to go for this
22 or not?" It's an educational concept.

23 John.

24 MR. VAN DAAM: To create a game plan that
25 everyone agrees on is the best one to pursue and to

1 develop. I have been working in the recycling field for
2 as long as 30 years and I've been working also with
3 schools. And two years ago I was working with a school
4 district in Alameda for two years making videotapes for
5 them in magnet schools to try and encourage magnet school
6 attendance recruitment, and found that students were most
7 motivated when there was a video game involved in their
8 studies.

9 And after doing a recycling video this spring had
10 the realization that that's what was needed to try and
11 generate more interest. Because I feel that more parents
12 will become involved and will do recycling and think about
13 recycling when their children are encouraging this; and
14 that children who become involved and have an awareness of
15 recycling, they feel right about it.

16 And that's what this game is meant to be. And
17 it's not to go out and -- and the feasibility is not to go
18 out and say, "Is this a good idea?" It's to find the best
19 approach for the game.

20 COMMITTEE MEMBER CANNELLA: I don't disagree with
21 what you're saying. But my question is, is this a
22 precedent on the Board of funding a private company to
23 develop a product? Whether you're using it for
24 feasibility or whatever, you're going to bring to market a
25 product that you want to sell. Is this something that the

1 Board has done in the past? Are we setting a precedent
2 that says the private sector now has access to oil money
3 to develop a product that they can sell to the general
4 public for a profit? And I'm not asking you. I'm just
5 stating my concern.

6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: As Mr.
7 Leary said, we could probably research this a little bit
8 more, Mr. Cannella. There have been instances in
9 competitive processes, either in RFP or a competitive
10 grant, research and demonstration grant, probably in oil
11 and possibly tires also -- I'm not sure where we might
12 have helped with the research -- to find out the
13 feasibility of a particular market. But I would feel
14 better with doing a little bit more research on that
15 before we answered you fully.

16 COMMITTEE MEMBER CANNELLA: The second question
17 is: If it's something that's going to be marketed to the
18 public, what kind of control do we have on its content?
19 We're going to fund it. I want to be real careful that
20 something that's going to be marketed to the public that's
21 going to be in schools is something that we agree ought to
22 be there.

23 CHAIRPERSON JONES: Okay. So I think we ought to
24 spend the time to work with the proponents, answer the
25 questions of the members, try to get a better sense -- and

1 I saw Chris Peck leave; okay, he's coming back -- get a
2 better sense of what this could look like, what it should
3 look like, and what kind of parameters might be in there.
4 And then be able to give us a more detailed explanation of
5 what this could be and what it needs to be, so that when
6 we look at this later -- and it's not going to be on this
7 month's Board meeting; we'll have to bring it back as a
8 reallocation item and take a look at it.

9 COMMITTEE MEMBER CANNELLA: Well, I'd also like
10 counsel to address the issue as to whether this is an
11 appropriate expenditure, to fund private sector
12 development of something that's going to be marketed to
13 the public for a profit.

14 CHAIRPERSON JONES: Okay. Mr. Cannella, I
15 would -- what we'll do, gentlemen, is we'll -- we're going
16 to work on developing this a little bit more and see what
17 happens.

18 The one thing is, you know, our commercialization
19 grants for tire places, we've got a lot of pie-in-the-sky
20 ideas that come forward that we take risk on. So, you
21 know, I'm not convinced that our Legal Office is going to
22 take all those things into consideration. And I need them
23 too, because I sure as heck don't want to make a
24 determination based on, you know, a narrow focus of the
25 question, because, clearly, we have an educational

1 mandate. We're mandated under AB 939 to provide
2 education. I'm not saying this is the right avenue. It
3 may be or it may not be. I don't know. But that's
4 different than us just doing other commercialization
5 grants. And, you know, there are biases that I don't want
6 to see, you know, too fully exposed. So, you know, as
7 long as it's pretty fair, then that would be cool. But
8 I'm not convinced.

9 MR. COSDEN: Okay. Thank you.

10 MR. VAN DAAM: Thank you very much.

11 CHAIRPERSON JONES: Thanks.

12 All right. What is the sense of the Committee?

13 Okay. We do or don't need to put a
14 recommendation from this Committee on all of these
15 different allocations to the Budget and to the full Board.
16 MS. YEE: Would you like to just go through each
17 contract concept and reconfirm your allocation dollar
18 amounts?

19 CHAIRPERSON JONES: Yeah, I was looking to see if
20 one of the members wanted to put forward something.

21 COMMITTEE MEMBER PAPARIAN: I mean I'm
22 comfortable with what's there on the page right now. I
23 think we reviewed a number of these last month. So I
24 don't particularly see a need to go back through them.

25 MS. YEE: Okay. I think I do need clarification

1 on Contract Concept Number 36 though, the advertisement.

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And 37, the
3 motion picture, where the dollar amount changed from
4 \$100,000 to \$25,000.

5 MS. YEE: Right. Because the -- at the Special
6 Waste Committee you guys went from \$100,000 to \$400,000 on
7 Concept Number 36. Now that \$400,000, did you want to
8 select one of the options, 2, 3, 4 of the options, none of
9 the options or -- we need some direction.

10 COMMITTEE MEMBER EATON: Well, one of the
11 things -- and this is just purely from my standpoint --
12 that we're having our Public Affairs Department come up
13 with an overall communications strategy. And, yes, I know
14 there are some options that have a time-sensitive factor.
15 But it seems to me that one of the reasons why we
16 undertook this communications strategy is because there
17 was a lot of disagreement about we're getting bang for our
18 buck and why aren't we doing what -- you know, like
19 Department of Conservation is doing with television.

20 And we're always underfunded, underfunded,
21 underfunded. And to make an impact, you know, repetition
22 is the key to marketing, as everyone knows. And how many
23 points it takes to make an impact in any kind of
24 advertising.

25 So for me at least, if it isn't a problem to

1 spend the money or to hold over the money, I think that
2 category of \$400,000 until communications strategy is
3 determined should not be part of the allocation at this
4 time.

5 It may very well be all of those options are
6 included in the communications strategy. But at this
7 point, I'd rather have the communications strategy before
8 me to know what the -- you know, how we weave together
9 everything, and there's money for the oil here and there's
10 money here for, you know, other kinds of things. It may
11 very well be that you want to put it out for how do you
12 get your computer back in E-waste or how to do something
13 else. And none of that's in here.

14 And so I think -- from my personal standpoint, if
15 it isn't a problem, you just delay making that allocation
16 since it's a continuous appropriation and we don't lose
17 the money.

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We could
19 bring back all of those options later then too for our
20 reallocation.

21 CHAIRPERSON JONES: But the one issue would be
22 California Heartland we wouldn't be able to continually --
23 I mean we subscribed to California Heartland for three
24 years?

25 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Or three or

1 --

2 CHAIRPERSON JONES: Three years or four years?

3 Four years? So this would be the fourth or the fifth?

4 Fourth?

5 I mean it's one that the Board hasn't always been
6 in complete, you know, consensus on. But I know I watch
7 the show and I see it.

8 I do. I do watch the show. Sorry, Chris. I
9 don't watch it every week. I don't watch that much TV.
10 It's not that good, but I do watch it.

11 COMMITTEE MEMBER PAPARIAN: You don't fit the
12 demographics. You're not a woman over 50.

13 COMMITTEE MEMBER EATON: Who knows what he does
14 at home.

15 (Laughter.)

16 CHAIRPERSON JONES: Right. Speaking of home, the
17 game's going to start in seven minutes.

18 So I would -- you know, I mean I don't mind
19 waiting for the -- whatever this communications thing is,
20 which probably scares me anyway. Because that'll be
21 another bureaucracy that everything's got to run through
22 one person. But I want to at least -- I would like us to
23 at least consider the California Heartland so that we can
24 keep that one.

25 I mean that would be something I would ask. And

1 then you can take the four hundred grand and wait for this
2 communication strategy. But I think California
3 Heartland's important to all of our messages across all of
4 our interests, at least it has been as long as I've been
5 here.

6 COMMITTEE MEMBER EATON: The problem is, Mr.
7 Jones, we're getting less and less hits on our web site
8 and it's less and less evidence that it's making the
9 impact and giving the Board the bang for the buck. And
10 that's really the key and that's the key question, and we
11 don't have any of that before -- I mean, you know, for the
12 three years.

13 And, you know, it's been an issue that I don't
14 really particularly think has been worthy of our monies.
15 I think you can get some of the money. But my
16 understanding is that this would represent a large, if not
17 a tremendous, amount of their overall budget. And, you
18 know, I don't know what it was. It was what, 25 percent
19 or 30 percent of the overall budget -- the advertising
20 budget?

21 MR. O'DONNELL: A hundred thousand dollars?

22 BOARD MEMBER EATON: Yeah, how much is this? I
23 remember the last time it was like three or four hundred
24 thousand dollars was the whole program, and a hundred
25 thousand was ours.

1 MS. TILMON: I'm sorry. The program is \$750,000
2 annually.

3 COMMITTEE MEMBER EATON: So this is like, you
4 know, about 20 percent.

5 MS. TILMON: It's actually quite important to us,
6 just --

7 COMMITTEE MEMBER EATON: Not a question about it.
8 I'm just looking for bang for our buck. And, you know,
9 I've been there every year. And what I'm saying is that
10 the Board's issue here and the issue for me is that if we
11 take the hundred thousand and we put it in a radio or a
12 television spot or some other concerted media strategy, do
13 we get more bang for our buck?

14 And no one's been able to answer that question.
15 And I don't think 50 web sites in the wrong demographic is
16 really where we get our bang for our buck. That's my
17 personal opinion. You know, I know the show. I look at
18 the show. I don't see where I get that, because most
19 people will switch their channel when the B roll or the
20 roll at the end goes off.

21 MS. TILMON: May I just make one comment? May I?

22 CHAIRPERSON JONES: Yeah, go ahead.

23 MS. TILMON: I do want to just speak to the
24 reach. I'll just make one point. The audience is an
25 average of 850,000 viewers per week. And that's for the

1 new programs. It is seen statewide throughout California.
2 And it has a long lasting life. So when we do a story on
3 the environment, whichever issue it may be, that's part of
4 California Heartland. And that program and story is going
5 to be seen again and again and again. So it has -- its
6 relative value is significantly enhanced because of that
7 element of it.

8 When you do an advertisement in another venue and
9 you're paying per spot, you pay for that spot, it airs and
10 it's gone. And unless you pay for it again, it's not
11 going to air again. So that's just one simple comparison.

12 There's one other issue relative to California
13 Heartland that we haven't touched on here; and, that is,
14 when we produce these stories, which as I said we've done
15 over three dozen in the last few years, we make that
16 product available to staff. It can be revised, it can be
17 edited, it can be used and shown, distributed, go to
18 meetings, whatever use is appropriate for them. So that
19 is another added value. You also can target that to
20 whatever audience it is that you're trying to reach.

21 And I know that you're in a hurry, so I'll stop
22 there, unless you've got other questions.

23 CHAIRPERSON JONES: Mr. Paparian.

24 COMMITTEE MEMBER PAPARIAN: Yeah, I'm
25 sympathetic, very sympathetic to Mr. Eaton's point. And

1 it's one I've tried to bring up in various ways too, that
2 we need to identify who we're trying to target with our
3 messages, and then make sure we're in the most effective
4 way reaching those targeted individuals.

5 I think we're getting closer to doing that
6 through the work that we've done through San Francisco
7 State and elsewhere. But I don't know if we're quite
8 there yet. I know the Public Affairs Office has also been
9 working on their overall analysis of what the overall
10 messages should be.

11 My inclination would be to go ahead with
12 California Heartland this year, but recognize that next
13 year the bar might be a whole lot higher in terms of
14 whether it meets our needs, whether the target audience is
15 the right one, whether it's consistent with some of the
16 information that's going to be coming out over the next
17 few months as I understand it with regards to who we want
18 to reach.

19 And, you know, it may turn out that the
20 California Heartland audience and the funding next year is
21 a nice match, but it might not.

22 But in any event, I'd just as soon go ahead with
23 this year's funding, but with that recognition that next
24 year it might be a whole lot tougher.

25 COMMITTEE MEMBER EATON: Then I would ask that we

1 move to divide the question on the issue of the Public
2 Affairs budget.

3 CHAIRPERSON JONES: Sure, that's reasonable.

4 One question. We used to have the opportunity to
5 at least give some story ideas. Do we still have that
6 ability?

7 MS. TILMON: We actually depend on it. I mean
8 that is our opportunity to understand where the stories
9 are and get access.

10 CHAIRPERSON JONES: All right. Very good.
11 Because we had our recycled show down in Disneyland this
12 year, and there was an agricultural composter that's
13 making a liquid compost tea as well as compost, and it's
14 going into the agricultural community. And it's, you
15 know, kind of categorized as organic right now. We need
16 to start being able to show the real benefit and the real
17 dollar savings to all of them, you know, so that they
18 understand that there's an opportunity and they don't have
19 to be labeled something to be able to put nutrients back
20 in their ground safely.

21 So I think that helps us get our message out of
22 sustainability, and that's key.

23 MS. TILMON: All right. Thank you.

24 CHAIRPERSON JONES: All right. Any other
25 questions?

1 Let me take a little whack at this. Okay.

2 Calm down. It's getting close. They're throwing
3 the first pitch.

4 All right. So under the Special Waste Committee
5 priority listing, which we had talked about before, we had
6 198 for the Coastal Commission, 65, 120 for the social
7 marketing, 150 for the re-refined, 75 for stormwater, 15
8 for grant writing, 80 for training of fleet managers, 100
9 for the evaluation of advertisement, 75,000 for waste
10 characterization.

11 You're saying we have to put a hundred grand into
12 this motion picture deal?

13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: No, I'm not
14 saying that. That was what was proposed to us by another
15 Board member, offices, and maybe discussed at the Board
16 meeting or at the other committee meetings.

17 CHAIRPERSON JONES: Okay. Put it up to a hundred
18 grand. Fifty grand for the buy-recycled. And then I'm
19 going to -- I'm hoping I say this right. I would like to
20 keep \$400,000 in the advertisement, but I want \$300,000 of
21 it to be contingent on the results of your communication
22 plan.

23 And then I'll move this without the California
24 Heartland right now.

25 Then my intention is to have another thing with

1 just the California Heartland for \$100,000.

2 So that's what I'm moving. Okay?

3 Is there a second?

4 COMMITTEE MEMBER CANNELLA: I'll second.

5 CHAIRPERSON JONES: Okay. We've got a motion by

6 Jones, got a second by Cannella.

7 Yes, sir, Mr. Cannella.

8 COMMITTEE MEMBER CANNELLA: Does that include the

9 \$40,000 for the --

10 CHAIRPERSON JONES: No, It doesn't. No, it

11 doesn't.

12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And one

13 other point of clarification. Does that include the

14 approval of Table 1, the allocation items that we

15 discussed earlier?

16 CHAIRPERSON JONES: Yeah. Oh, I'm sorry. I

17 apologize. And Table 1. I apologize.

18 Okay. Call the roll.

19 SECRETARY BAKULICH: Cannella?

20 COMMITTEE MEMBER CANNELLA: Aye.

21 SECRETARY BAKULICH: Eaton?

22 COMMITTEE MEMBER EATON: Abstain.

23 SECRETARY BAKULICH: Paparian?

24 COMMITTEE MEMBER PAPARIAN: Aye.

25 SECRETARY BAKULICH: Jones?

1 CHAIRPERSON JONES: Aye.
2 Okay. Now, under the -- what is it? -- 036, I
3 move \$100,000 for California Heartland.
4 COMMITTEE MEMBER PAPARIAN: I'll second.
5 CHAIRPERSON JONES: Okay. Call the roll.
6 SECRETARY BAKULICH: Cannella?
7 COMMITTEE MEMBER CANNELLA: Aye.
8 SECRETARY BAKULICH: Eaton?
9 COMMITTEE MEMBER EATON: No.
10 SECRETARY BAKULICH: Paparian?
11 COMMITTEE MEMBER PAPARIAN: Aye.
12 SECRETARY BAKULICH: Jones?
13 CHAIRPERSON JONES: Aye.
14 Okay. Done.
15 You got it?
16 MS. YEE: Yes.
17 CHAIRPERSON JONES: Okay.
18 MS. YEE: So your total is going to be 1.428
19 million for contract concepts.
20 CHAIRPERSON JONES: Right. But that \$300,000 is
21 contingent upon the results and the presentation of the
22 communication plan.
23 MS. YEE: Right.
24 CHAIRPERSON JONES: It's just setting aside the
25 dollars to deal with that. Is that okay? Comfortable

1 with that?

2 MS. YEE: But just so you know, you do have 1.428
3 allocated.

4 CHAIRPERSON JONES: We have what?

5 MS. YEE: 1.428 allocated in contract concepts.

6 CHAIRPERSON JONES: Right.

7 MS. YEE: Okay. Great.

8 CHAIRPERSON JONES: So we can come back and look
9 at other things? You will do some work for us?

10 MS. YEE: Yes.

11 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes.

12 CHAIRPERSON JONES: All right. Let's go on to --

13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: All right.

14 Shall we move on to Item Number 5?

15 CHAIRPERSON JONES: -- Item 5.

16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Committee
17 Item L, consideration of the scoring criteria and
18 evaluation process for the Used Oil Nonprofit Grants,
19 Fiscal Year 2002-3. We have two grant criteria items,
20 this first one being with the oil program, the second
21 being with tires.

22 And Barbara Baker will be making this
23 presentation.

24 MS. BAKER: We're trying to make this fast for
25 you.

1 CHAIRPERSON JONES: Go ahead.

2 (Thereupon an overhead presentation was
3 presented as follows.)

4 MS. BAKER: Good afternoon, Chairman Jones and
5 Board Members. I'm Barbara Baker, a grant manager from
6 the Used Oil Household Waste Branch.

7 I will present Item L, the consideration of
8 scoring criteria in the evaluation process for Fiscal Year
9 2002-2003, Used-Oil Nonprofit Grant Program.

10 Staff proposes \$3,544,000 from the Used-Oil
11 Recycling Fund for these Used Oil Nonprofit Grants for
12 Fiscal Year 2002-2003. Staff proposes its organizations
13 can request up to \$200,000 and regional applicants
14 covering more than one city and/or county could request up
15 to \$300,000.

16 Nonprofit groups are eligible for this grant if
17 they are recognized under the Internal Revenue Code as a
18 nonprofit organization.

19 --o0o--

20 MS. BAKER: As you can see from the overhead in
21 Attachment 1 of your packet, the criteria of categories
22 approved by the Board in the June 2002 meeting.

23 --o0o--

24 MS. BAKER: The next overhead covers a program of
25 specific categories and statutory requirements.

1 The proposed target priorities for this grant
2 cycle are social marketing techniques, collection of used
3 oil and/or filters and one or more of the following areas:
4 Underserved population, boaters, agricultural sources,
5 stormwater pollution from used oil and oil byproducts,
6 purchasing of re-refined oil and sustained re-refined oil
7 availability in target areas after the grant period.

8 Organizations who do not receive a grant during
9 the last cycle and the statutory requirement will --

10 COMMITTEE MEMBER PAPARIAN: Let me just ask a
11 quick question there.

12 The points I have in my agenda item are different
13 than the points on the screen. I think -- I've got 45543
14 and you have 45555.

15 MS. BAKER: I'm sorry about that.

16 CHAIRPERSON JONES: Which one's right? Probably
17 the one in our binder because that adds up to 21, I think.

18 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yes the
19 ones in the binder are correct. That adds right now to 24
20 points, so on the screen is incorrect.

21 That means Criteria Number 12 there that they did
22 not receive a nonprofit grant award last time is worth --
23 proposed to be worth 3 points, and Criteria Number 11 for
24 re-refined oil emphasis is actually worth 4 points. The
25 rest are correct.

1 MS. BAKER: The statutory requirements will have
2 the applicants prove that they are nonprofit status. And
3 the proposals must obtain a minimum of 70 points out of
4 the possible 100.

5 CHAIRPERSON JONES: You know what? You've done
6 such a good job in this write-up, we're going to make a
7 motion.

8 MS. BAKER: Good.

9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We're
10 always for that, Mr. Jones.

11 COMMITTEE MEMBER EATON: Oh, you're not going to
12 deduct any points, Mr. Jones, from the criteria?

13 CHAIRPERSON JONES: No. No, I'm liking it.

14 I'll move adoption of Resolution 2002-531, the
15 consideration or approval of the scoring criteria and
16 evaluation process for Fiscal Year 2002-2003 Used Oil
17 Nonprofit Grant Program.

18 COMMITTEE MEMBER PAPARIAN: Second.

19 CHAIRPERSON JONES: We've got a motion by Jones,
20 second by Paparian.

21 Would you call the roll.

22 SECRETARY BAKULICH: Cannella?

23 COMMITTEE MEMBER CANNELLA: Aye.

24 SECRETARY BAKULICH: Eaton?

25 COMMITTEE MEMBER EATON: Aye.

1 SECRETARY BAKULICH: Paparian?
2 COMMITTEE MEMBER PAPARIAN: Aye.
3 SECRETARY BAKULICH: Jones?
4 CHAIRPERSON JONES: Aye.
5 Consent?
6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Consent.
7 Thank you.
8 CHAIRPERSON JONES: Thank you.
9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Item Number
10 6 is another grant criteria.
11 CHAIRPERSON JONES: You did a good job. Don't
12 worry, you did a good job.
13 ACTING DEPUTY DIRECTOR WILLD-WAGNER: That's a
14 good thing.
15 Another grant criteria. This is for the Energy
16 Recovery from Tires Grant Program.
17 And Nate Gauff will be presenting.
18 MR. GAUFF: Good afternoon, Chairman Jones and
19 Members of the Committee. I'm Nate Gauff of the Special
20 Waste Division.
21 This criteria that's being considered in this
22 item is similar to the criteria that we brought forward in
23 March of 2002, which at that point applied for two fiscal
24 years. At the award of those Fiscal Year 2001-2002
25 grants, Mr. Paparian asked that we come before you again

1 before going out with an application for the million
2 dollars that was allocated in 2002-2003.

3 So what I want to tell you is what we've changed
4 in the criteria from what was approved in March.

5 The general criteria is exactly the same as what
6 was approved in March. The program criteria we did change
7 slightly. We did strengthen the language regarding the
8 research focus of this grant program in Criteria 8, which
9 is a type of project.

10 We also changed this current criteria before you
11 changed Criteria 9. We just changed the point value from
12 10 points to 15 points.

13 And then we added a Criterion 10, which is 5
14 points. That deals with new technology or innovative
15 projects or methodologies for the current fiscal year.

16 Any questions?

17 CHAIRPERSON JONES: Mr. Paparian.

18 COMMITTEE MEMBER PAPARIAN: Now, this is the same
19 money that we tried to give out once before, and we didn't
20 get enough applications.

21 MR. GAUFF: Well, actually we gave out \$411,640
22 out of \$500,000 from Fiscal Year 2001-2002 allocation.

23 COMMITTEE MEMBER PAPARIAN: But we also had the
24 million dollars available, and we didn't get enough
25 applications.

1 MR. GAUFF: Right, right. The first cycle that
2 we went out we did not get enough applications.

3 COMMITTEE MEMBER PAPARIAN: Do we have any reason
4 to believe that we will get applicants this time around
5 that we didn't get last time around?

6 MR. GAUFF: Yeah, I think we will. One of the
7 problems we had last time it was toward the end of the
8 fiscal year, so we had a very short turnaround for the
9 facilities to respond to the application. And a couple of
10 facilities did indicate to us that they would have applied
11 had they had more time.

12 COMMITTEE MEMBER PAPARIAN: One of the concerns
13 other than that -- I raised this last time around. We
14 were pretty rushed to deal with it last time. This pot of
15 money is for research. And it's not your traditional
16 commercialization grant. I'm concerned that the way this
17 is framed, it almost looks like a commercialization grant
18 and not research. When I look at the research description
19 in the five-year plan, it talked about third-party peer
20 review and other things. Research is barely mentioned in
21 the description here.

22 And it looks like we're looking for some very
23 specific items in terms of, you know, trying to fund fuel
24 feed system development as being our highest priority in
25 analysis and optimization fuel sizing, with aster

1 emissions testing being the lowest priority. Whereas,
2 when I go back and read the research part of the five-year
3 plan, there was a lot more emphasis in trying to do
4 research on the environmental aspects of energy recovery.
5 So I'm concerned about the direction that we've taken
6 this.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 Good afternoon.

9 CHAIRPERSON JONES: Before you start, can I ask
10 Mr. Paparian a question?

11 When we were talking about this one, I think that
12 you cautioned us all that to make sure it had research and
13 development, that we at least got some information back
14 that could be made available to others. And is that still
15 pretty much the way you're -- remember, you had --

16 COMMITTEE MEMBER PAPARIAN: Yeah, at that point
17 we were in a very rushed thing to try to get it out before
18 the end of the fiscal year. I think we've got a little
19 more time now to make sure it's more -- you know, that the
20 research design is appropriate and the research results
21 are, you know, consistent with what you would normally
22 consider a research project.

23 CHAIRPERSON JONES: Okay. Because the Statement
24 I'm going at was when we were talking about this for this
25 year, you know, to make sure that we had information that

1 could be transferred to other people, as I remember some
2 of your direction. And, you know, I was comfortable to go
3 with that.

4 COMMITTEE MEMBER PAPARIAN: Yeah. And that was
5 for the \$411,000 that went out so far.

6 CHAIRPERSON JONES: Go ahead.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

8 Martha Gildart, Special Waste Division.

9 One of the reasons we increased the points
10 available for the fuel feed system and process development
11 was this idea of determining whether or not it is feasible
12 to even do this. Our feeling is that you have some rather
13 unique technologies. The circulating fluidized bed
14 combusters on the cogen plants are somewhat finicky on the
15 fuel type that they will take, so we are wanting to
16 encourage a close examination of the optimal fuel feed
17 system and the fuel sizing and characteristics, how to
18 make that system actually work.

19 We feel that there are some research components
20 in that, and that there's definitely a requirement for
21 these applicants to share any information, any of the
22 testing or results that they have at the end of the
23 project with other such facilities.

24 COMMITTEE MEMBER PAPARIAN: Yeah. But share it
25 with other facilities. I mean it should be publicly

1 available. We're paying for research.

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 It will be publicly available also. The obvious
4 recipient of -- you know, the user of any of that data
5 would be other similarly configured systems.

6 COMMITTEE MEMBER PAPARIAN: Yeah, I mean but I
7 would like to make sure that the public needs are
8 addressed as well.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 They will be public documents.

11 COMMITTEE MEMBER PAPARIAN: In the five-year plan
12 we talked about emission and ash testing, as, you know,
13 one of the top priorities. And yet that gets 5 points as
14 opposed to fuel feed system getting 20 points.

15 We also talked about making sure we had
16 third-party peer review on research. And that helps you
17 assure that we're not throwing money into a
18 commercialization phase, but rather we are designing the
19 research end of it to be a pure research project from the
20 beginning and we're getting legitimate research at the
21 end.

22 MR. GAUFF: I was going to add, typically we, in
23 the past, have shared the results from any testing that
24 we've sponsored or paid for with other state agencies,
25 other private industry organizations in other states. You

1 know, so we've certainly shared the information that we've
2 always -- that has been developed through contracts and
3 projects that we funded.

4 CHAIRPERSON JONES: Mr. Cannella.

5 COMMITTEE MEMBER CANNELLA: I have a question you
6 can answer with a yes or no.

7 Is this for cement kilns and for tire burning
8 facilities, the information that you're going to be
9 gathering?

10 MR. GAUFF: The grant program is aimed at
11 facilities that have coal-fired combustion systems, which
12 could include cement kilns and/or cogeneration facilities.

13 COMMITTEE MEMBER CANNELLA: Okay.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 The reason that that was limited to the
16 coal-fired facilities in the first place -- and you may
17 not have some of this history -- is that in the testing
18 this Board has sponsored in the past those are the
19 facilities who have combustion systems that can best
20 handle the tire fuels. When you put it in with a
21 wood-waste facility or some other fuel, you change the
22 operation of the plant, you burn out your boiler, you
23 don't have the right refractory; you have all sorts of
24 problems with the systems. So the coal-fired facilities
25 generally respond best to these fuels.

1 CHAIRPERSON JONES: Okay. I think if there's no
2 other questions, we're going to move it.

3 I do want one notation though. I think when
4 we're -- I think we're in Van Nuys this week?

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
6 Yes.

7 CHAIRPERSON JONES: -- we need to be thinking
8 about how to expand this research and development to
9 include some of these issues about peer review and all
10 that stuff, so that it's more detailed, you know, for
11 future years on any of these R&D projects because, you
12 know, it's obviously an important issue.

13 All right. No other questions?

14 I'm going to move adoption of Resolution
15 2002-569.

16 COMMITTEE MEMBER CANNELLA: Second.

17 CHAIRPERSON JONES: Got a motion by Jones, second
18 by Cannella.

19 Call the roll.

20 SECRETARY BAKULICH: Cannella?

21 COMMITTEE MEMBER CANNELLA: Aye.

22 SECRETARY BAKULICH: Eaton?

23 COMMITTEE MEMBER EATON: Aye.

24 SECRETARY BAKULICH: Paparian?

25 COMMITTEE MEMBER PAPARIAN: No.

1 SECRETARY BAKULICH: Jones?

2 CHAIRPERSON JONES: Aye.

3 Okay. This will go to the full Board on 3 to 1
4 recommendation.

5 All right. Item Number 7, whatever letter -- N.

6 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Committee
7 Item N is consideration of the grant awards for the Waste
8 Tire Playground Cover Grant Program.

9 And Linda Dickinson will present this item.

10 MS. DICKINSON: Good afternoon. I'm Linda
11 Dickinson with Special Waste in the Waste Tire Diversion
12 Section.

13 And before I present information on the
14 Playground Cover Grant Award agenda item, I'd like to
15 present this poster from the kindergarten class at
16 Summerville Elementary School for a playground that they
17 received. You can have it for art work for our offices.

18 CHAIRPERSON JONES: Beautiful.

19 Summerville is in Tuolumne County.

20 MR. DICKINSON: Summerville is in Tuolumne
21 County. And they were awarded during the first cycle of
22 this grant program under the five-year plan.

23 CHAIRPERSON JONES: This was the school --

24 COMMITTEE MEMBER EATON: The heartland of the
25 gold country.

1 CHAIRPERSON JONES: The heartland of the gold
2 country.

3 This was a school that was so poor, they didn't
4 even have a playground for their kids. So our tire grants
5 worked out well.

6 MR. DICKINSON: Yes, they were very appreciative.
7 And we visited their grand opening last month.

8 The Board has awarded grants for playground cover
9 since '96-'97. And the five-year plan approved by the
10 Board in March 2001 designates \$800,000 to fund the Waste
11 Tire Playground Cover Grant Program for five fiscal years
12 beginning in '01-'02.

13 This is the second cycle under the five-year
14 plan. And the Board received 34 applications requesting
15 just over \$822,000. Sixty-six percent of the applications
16 were from southern California and 34 percent were from
17 northern California.

18 Two applications were disqualified because one
19 didn't submit it on the right application and the other
20 one didn't submit it for an eligible project.

21 Of the remaining 32, 31 of them passed with
22 scores above 70, and one failed.

23 To make this short and sweet, staff recommends
24 that the Board approve Resolution number 2002-570 and
25 award a total \$752,291 to 31 projects, as listed in the

1 resolution.

2 CHAIRPERSON JONES: Thank you, Linda.

3 Mr. Cannella.

4 COMMITTEE MEMBER CANNELLA: I would move the
5 Resolution 2002-570.

6 COMMITTEE MEMBER PAPARIAN: Second.

7 CHAIRPERSON JONES: Thanks, Mr. Cannella.

8 We have a motion by Mr. Cannella, second by Mr.
9 Paparian.

10 Call the roll.

11 SECRETARY BAKULICH: Cannella?

12 COMMITTEE MEMBER CANNELLA: Aye.

13 SECRETARY BAKULICH: Eaton?

14 COMMITTEE MEMBER EATON: Aye.

15 SECRETARY BAKULICH: Paparian?

16 COMMITTEE MEMBER PAPARIAN: Aye.

17 SECRETARY BAKULICH: Jones?

18 CHAIRPERSON JONES: Aye.

19 Fiscal consent?

20 Okay. Next item.

21 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you.

22 This is a renewal and issuance of a Major Waste
23 Tire Facility Permit for BAS Recycling in San Bernardino
24 County.

25 Terry Smith will present this item.

1 MR. SMITH: Good afternoon.

2 Board Item Number 8 regards the consideration of
3 a Major Waste Tire Facility Permit Renewal for BAS
4 Recycling. The facility is located at 1400 North H street
5 in San Bernardino.

6 BAS has been processing tires in southern
7 California since the early 1990's. Tires processed at the
8 facility include both truck and passenger tires that are
9 received from various sources throughout southern
10 California.

11 Tires arriving at the site are sorted and graded.
12 The tires that can't be resold are processed into crumb
13 rubber; and they're either sold as crumb rubber or made
14 into molded rubber products there at the site.

15 BAS processes approximately 2 million tires a
16 year. BAS Recycling plays an important role in the
17 Board's tire recycling program. Over the years the Board
18 has awarded grants to BAS to tap their expertise, promote
19 their innovative and aggressive recycling efforts.

20 The site history section of this item summarizes
21 the operator's enforcement history. And we see that
22 there's several violations there. But BAS has worked
23 in cooperation -- more recently BAS has worked in
24 cooperation with our enforcement staff and local fire
25 authority to develop a tire storage plan that's going to

1 work more effectively. And staff's most recent
2 inspections have verified compliance.

3 The Board approved the issuance of the Major
4 Waste Tire Facility Permit in February 27th, 1998. The
5 permit allows the storage of 800 tons of whole tires or
6 tire equivalents on 4.3 acres site.

7 Waste Tire Facility Permits expire every five
8 years unless they're renewed. BAS has submitted an
9 application to renew their permit on May 29th, 2002.

10 No changes are proposed except for the improved
11 site storage plan.

12 Staff has reviewed the permit application and
13 determined that all of the requirements have been met,
14 including the local fire department and vector control
15 approvals, financial assurance and operating liability
16 requirements, state minimum standards for tire storage,
17 and the California Environmental Quality Act.

18 In conclusion, staff recommends that the Board
19 adopt Permit Decision Number 2002-571, approving the
20 issuance of Waste Tire Facility Permit Number 36-TIOO-20.

21 This concludes staff presentation.

22 CHAIRPERSON JONES: Thanks, Terry.

23 Any questions?

24 COMMITTEE MEMBER EATON: I have a question.

25 CHAIRPERSON JONES: Mr. Eaton.

1 COMMITTEE MEMBER EATON: This is one of those
2 facilities where there was problems before where we had a
3 lot of back and forth. The question is: On this Waste
4 Tire Facilities Permit it has air pollution permits and
5 variances. And nothing's checked. Is that because
6 they're required not to have any?

7 MR. SMITH: Yeah, it's not required.

8 COMMITTEE MEMBER EATON: Well, it's funny you
9 should mention that because I have here a South Coast Air
10 Quality Management District air quality complaint written
11 from the South Coast Air Quality Management District that
12 says they have a number of permits with the AQMD. So the
13 fact of the matter is we haven't checked, have we, to see
14 whether or not there's any additions or restrictions or
15 requirements with regard to AQMD? So there are permits
16 that are required. And that's been one of the problems
17 because this facility is located right next to a school,
18 across the street, if I'm not mistaken.

19 So I'm wondering what have we done with regard to
20 that? Because that box ought to be checked or not
21 checked.

22 CHAIRPERSON JONES: Can I ask a question on top
23 of this, just for a second just for some clarification?

24 COMMITTEE MEMBER EATON: Sure. That's what this
25 whole idea we went through -- if you remember, trying to

1 go through and have all the problems with grants, to check
2 the permits. This one's there.

3 CHAIRPERSON JONES: This permit is for tire
4 storage and for their cryogenic thing?

5 MR. SMITH: That's correct.

6 CHAIRPERSON JONES: They've got a manufacturing
7 plant the does molded products. That's a separate entity
8 within the same real estate?

9 MR. SMITH: Right. It's on the property, but
10 it's not part of the storage permit.

11 What we're doing is permitting the storage of
12 tires -- outside storage of tires. The tires are stored
13 there to be processed inside the facility, which is -- we
14 don't have anything to do with permitting the processing
15 equipment that's inside of the building. All we permit is
16 the storage of tires.

17 CHAIRPERSON JONES: The area?

18 MR. SMITH: Right.

19 CHAIRPERSON JONES: The tire area.

20 And the only reason I asked a follow-up question
21 was because it's -- that permit is what one of the
22 concerned parties brought up as an issue in our
23 commercialization grants. And there's two different
24 entities operating in that one property.

25 COMMITTEE MEMBER EATON: Right, but they're all

1 owned by the same individuals.

2 CHAIRPERSON JONES: Yeah, but they're two
3 separate.

4 COMMITTEE MEMBER EATON: Well, you can't
5 separate, Steve, the fact that you store tires and the
6 tires are then going to be taken into the thing and
7 processed.

8 I mean, you know, you may have a permit on the
9 outside. But the question is, those tires are taken from
10 the outside and brought into either of those plants. And
11 those plants do emit air quality issues. And that's what
12 I'm trying to get at. And the whole idea that we had the
13 problem with the commercialization grant is that we had a
14 list of whether or not we did check or not check. And we
15 went through a whole check list, I thought, of what things
16 we needed to have checked for permits. And this is
17 obviously one with odors and there's children there. And
18 that we did make a loan to these individuals that were
19 going to increase the number of tires that they recycled.
20 Therefore, they are going to actually have more odors.
21 And I'm just wondering why we just didn't do it. It's a
22 simple issue.

23 CHAIRPERSON JONES: Gotcha.

24 MR. SMITH: Do you want me to handle that?

25 MR. DIER: Mr. Jones, just let me say that the

1 table in the agenda item represents our assessment of the
2 status of the permits, that is what we've been talking
3 about, on that area that we are regulating. If the
4 Committee and Board would like us to expand that to
5 reflect the status of adjacent operations, we'd be happy
6 to do that. I wasn't aware that that was your desire.

7 COMMITTEE MEMBER EATON: We should know if they
8 have valid permits, shouldn't we?

9 MR. DIER: This reflects the status of any
10 required permits for that area that we are permitting.

11 COMMITTEE MEMBER EATON: Well --

12 MR. DIER: They aren't required to have those for
13 that area that this permit governs.

14 COMMITTEE MEMBER EATON: They would have a
15 conditional use permit though, wouldn't they? Wouldn't
16 that be a valid concern?

17 CHIEF COUNSEL TOBIAS: Not necessarily.

18 If your argument -- wait a minute. Let me get
19 here before you go there.

20 If his argument is is that all we're looking at,
21 then a conditional use permit is valid for us to look at.

22 CHIEF COUNSEL TOBIAS: Well, that's true. But
23 they may not --

24 COMMITTEE MEMBER EATON: You can't sort of pick
25 and choose ones as you go along. So if he's saying these

1 are the only ones we have a concern about, then valid is
2 whether or not to have a valid conditional use permit for
3 that facility.

4 CHIEF COUNSEL TOBIAS: They may not have a
5 conditional use permit if they're in the proper zone. So
6 as you may recall, there's a zoning by right and then the
7 conditional use permit. I didn't look at this, so I'm not
8 going to say whether they had a conditional use permit or
9 not. But with these tire storage areas, there are a
10 number that are in industrial areas, and so they don't
11 have separate permits there.

12 COMMITTEE MEMBER EATON: No. But in light
13 manufacturing in the City of San Bernardino there is a
14 conditional use permit required for various heavy and
15 light industrial use permits, because that was one of the
16 issues that were brought up under the tire
17 commercialization, was whether or not there was. And they
18 had evidence to that put in their packet. So that's why I
19 bring it up.

20 MR. SMITH: Board Member Eaton, when I was at the
21 facility I talked to the operator. I was out there last
22 Tuesday. And I asked him who permitted the inside of the
23 facility. And he said that he has to get all kinds of
24 local permits for the processing and things that go on
25 inside of the facility.

1 What we look at when we get an application for a
2 tire facility, a storage facility, is all the requirements
3 that we have in the regulations that deal with the
4 storage. We don't permit the processing. But that is --
5 you're right, that is under other permits, local permits.
6 And it sounds like somebody faxed you a violation on the
7 Air Board part of the permit. That could very well be.
8 And that wouldn't be something that we normally look at.
9 We go down through a check list of things to look at. And
10 that's not in the check list.

11 COMMITTEE MEMBER EATON: It is on the check list
12 if we do a grant.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
14 Yes, if I could speak to the grant issue.

15 COMMITTEE MEMBER EATON: Right. I just want to
16 make sure.

17 So when we're looking at whether or not we have
18 public health and safety issues, we don't look at other
19 permits. But I'm just trying to -- I'm not being
20 critical. I just want to try and get what we have. But
21 when it comes to a grant where there isn't really issues
22 such as public health and safety, we have to look at the
23 other permit.

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
25 But the grant was to the processing facility

1 itself. And that would be the operation that might create
2 an air pollution problem or dust problem or noise or
3 something. So of course we want to make sure that they
4 are in compliance with the local permitting agencies for
5 those activities. But when it comes to our regulatory
6 authority on just the permitting of storage of tires, it's
7 a more limited operation.

8 CHAIRPERSON JONES: Yeah. And I think that it
9 was a nice issue that came forward because you had three
10 different operations under one roof. And some of the
11 people that were upset about who got the grants made it an
12 issue where, you know, it -- six and half a dozen of the
13 other. I mean clearly the air district is going to go on
14 the cryogenics and on the molding. But, you know, and
15 that's part of the problem.

16 COMMITTEE MEMBER CANNELLA: Mr. Chairman?

17 CHAIRPERSON JONES: Yes, sir.

18 COMMITTEE MEMBER CANNELLA: The report I have
19 here is that they were found to be storing 18,000 tires in
20 '97; they were fined \$7,500 in '98 for operating without a
21 permit; they got a permit in '98 and was fined \$15,000 to
22 two years later for improper storage. Sounds like they
23 have a history of noncompliance and they've received
24 almost a half a million dollars in grants since '92. And
25 I'm somewhat reluctant to give -- or reward a company that

1 does business that way.

2 MR. SMITH: Well, not to be -- what we've looked
3 at recently, we've been out there in January and August
4 and last Tuesday, and they were in compliance. Now,
5 they've had a history in the past. But what they've done,
6 they've hired a field superintendent so that -- when a
7 yard gets busy and you have trucks coming in and out, if
8 they just have people unloading everywhere and it's
9 unorganized, then you're going to have violations. When
10 the inspector comes out, the tire sizes are going to be
11 too big and the fire lanes are going to be filled up and
12 not acceptable.

13 COMMITTEE MEMBER CANNELLA: Whose responsibility
14 is that?

15 MR. SMITH: Well, that is BAS's responsibility
16 and that's why we took enforcement action on them and got
17 these fines. But what they've done is they've taken a few
18 actions recently, they've developed a site plan, working
19 with the fire department and with enforcement staff, and
20 also hired someone to be out there watching the incoming
21 vehicles to make sure that the tires are loaded --
22 unloaded and put into proper places.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

24 And if I could give a little history on the
25 entire tire program and the permitting issues. It's been

1 a learning experience for everyone, for us at the Board
2 and for the industry. Many of these operations existed
3 before our permit requirements were in place. And we've
4 been trying to work with them to bring them into
5 compliance with those regulations, and I think we've had
6 some success there. But it's taken a little bit of hand
7 slapping along the way to get them to listen up and pay
8 attention.

9 Now, that doesn't mean they're not a viable
10 business that are not recycling tires appropriately. You
11 know, they are a major tire recycler in the State. I
12 think they have come around to our way of looking at the
13 need to store tires safely and to comply with those permit
14 requirements. But this is true of just about every tire
15 recycling operation we've had here. It's been a learning
16 curve. They've had to come into compliance; they've had
17 to understand why we've been hoisting these requirements
18 on top of them. And I think we've had some success there.

19 I think we've seen a much better compliance
20 record with many of these, partly because the Board has
21 been so aggressive in enforcing them. But they're all
22 going to have a history. You're not going to find a
23 perfectly clean slate on any of the existing operations.

24 Now, there may be some new operations moving into
25 the State. And we've recently had Green Man and R --

1 let's see, RTI was bought out by RTG, or it was the other
2 way around -- come into the State. And we're hoping that
3 they will also come into compliance, you know, and maybe
4 start out with a clean record.

5 CHAIRPERSON JONES: And the guy that ran this
6 place doesn't run it -- I mean the history of violations
7 were under a different operator or a different manager --

8 MR. SMITH: Different manager.

9 CHAIRPERSON JONES: -- that what you have today.

10 MR. SMITH: They've made some changes in response
11 to the enforcement action.

12 CHAIRPERSON JONES: All right. We'll move this
13 to the full Board, I think, for the sake of letting
14 everybody get their questions answered. I think if
15 there's other questions that the members have, if you
16 could check --

17 COMMITTEE MEMBER EATON: I just wondered if they
18 have a CUP and are they required to have one under the
19 Industrial Code.

20 CHAIRPERSON JONES: Would you, Don, make sure
21 that all the members are contacted to see what their
22 issues are on this before the Board meeting please.

23 Thank you.

24 All right. Item Number 9, which is --

25 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Item 9 is

1 the Item P.

2 The final two items are both regulations packages
3 at different points in the regulatory process.

4 First off is the noticing revisions in proposed
5 additions and amendments to the existing Waste Tire
6 Facility Permitting and Storing Regulations, which is kind
7 of what we were just talking about in the last item
8 about the permit requirements.

9 Tom Micka will present this item.

10 WASTE MANAGEMENT ENGINEER MICKA: Good afternoon,
11 Mr. Chairman and Members of the Committee.

12 In 2001, the Board authorized staff to move
13 forward with proposed changes to the Waste Tire Storage
14 and Permitting Regulations.

15 This year we've noticed these regulations on July
16 12th for a 45-day comment period, and then a hearing was
17 held on September 9th.

18 And in addition, in 2001 the Board approved
19 enforcement criteria at a separate Board meeting. And so
20 that portion was incorporated into these regulations also.

21 Two comment letters were received during the
22 comment period and a couple E-mails. One comment was
23 received during the hearing in support of the changes made
24 to the regulations.

25 Staff has -- and these comments are listed in the

1 agenda item with staff's responses. And then also in some
2 cases staff is proposing changes based on the comments
3 that were made.

4 Staff also recommended some changes on it's own.
5 And those are also presented in the agenda item.

6 Two of those changes that staff is recommending
7 is the addition of a new Article 11 entitled "Financial
8 Assurance Enforcement Procedures for Major Waste Tire
9 Facilities"; and staff is proposing to add Forms 500
10 through 504, which are used for filing an application for
11 a minor or a major Waste Tire Facility Permit. And those
12 forms only have minor changes. They've been reformatted
13 to make it easier for people who want to fill the forms
14 out on the computer.

15 Because of these additions staff is recommending
16 a 30-day comment period for the subject changes in lieu of
17 the normal 15-day comment period.

18 Staff is also proposing a few changes that did
19 not make it into the agenda item. These changes are
20 presented on the page you have entitled "Errata Sheet."
21 There are copies of the agenda item in the Errata Sheet in
22 the back of the room.

23 In conclusion, staff recommends that the
24 Committee direct staff to put the proposed regulation
25 package out for a 30-day comment period. Staff will bring

1 this matter back to Committee at it's December 2nd
2 meeting.

3 CHAIRPERSON JONES: Okay. Members, questions?

4 All right. So be it. We'll do it.

5 All right. Item Number Q.

6 No offense, but I've got something to add to this
7 one. So you do yours quick.

8 And then we have one speaker.

9 ACTING DEPUTY DIRECTOR WILLD-WAGNER: All right.
10 Item Q is the other rulemaking package. And this is in
11 regards to the manifest program.

12 Keith Cambridge will make this presentation.

13 MR. CAMBRIDGE: Okay. In an effort to keep this
14 short, I'll condense my speech here.

15 Good afternoon, Mr. Chairman and Members of the
16 Committee. My name's Keith Cambridge, Program Manager of
17 the Waste Tire Hauler Program.

18 Today I'm presenting the discussion and request
19 for direction to formally notice the Waste Tire Hauler
20 Registration and Manifest Regulations for a 45-day comment
21 period.

22 In 2001 SB 876 made changes to this current
23 manifest system and required the Board to create an
24 auditing aspect in an effort to close the loop on
25 accountability.

1 SB 876 required completed copies of the manifest
2 to be submitted to the Board by each of the three parties,
3 which would be the waste tire generators, the waste tire
4 haulers, and end-use facilities, for the monitoring of
5 tire loads and movement into California.

6 Board staff conducted public workshops in
7 November 2001 for discussion and comments on the newly
8 proposed California Uniform Waste and Used Tire Manifest
9 System.

10 Numerous comments were received from both
11 industry and the public agencies. These comments were
12 considered during the initial design and early development
13 of the documents and by Board's IMB staff. The IMB staff
14 presented this information on the October 2002 Board
15 meeting, the manifesting.

16 With the implementation of this new manifest
17 system, staff has proposed changes in current regulations
18 that reflect the new manifesting procedures. In addition,
19 program staff have worked with the Legal Office in and
20 effort to condense existing regulations and correct
21 outdated and inaccurate information found in Title 14
22 California Code of Regulations Chapter 6 Article 8.5.

23 Three of the key points that staff would like to
24 bring to the Committee's attention concerning these
25 proposed regulations are:

1 The removal of the foreign hauler exclusion from
2 existing regulations. Currently if the foreign haulers
3 meet certain criteria, they are excluded from being
4 registered waste tire haulers with the State and no longer
5 have to manifest any sort of manifest documents with the
6 Board.

7 The second one is the requirement of agricultural
8 waste tire haulers to submit manifests to the Board.
9 Currently the agricultural waste tire hauler may destroy
10 the manifests once they reach the final destination, and
11 would not be required to submit their portion of the
12 manifest to the Board.

13 And then, lastly, the requirements of the common
14 carrier to manifest any used or waste tires transported on
15 public roads. Currently they are not required to do any
16 manifesting.

17 Staff feels that these issues, if not changed,
18 would allow the loopholes in the new manifest program.

19 In conclusion, staff recommends that the
20 Committee direct staff to submit the proposed regulation
21 package to the Office of Administrative Law for initiation
22 of a 45-day comment period so that the newly created -- so
23 that the changes are consistent with SB 876 in the newly
24 created California Waste Manifest System.

25 Are there any questions that I can address?

1 CHAIRPERSON JONES: Questions?

2 I just have one. I had talked to Martha about
3 this, and I think we got to look at it and we got to get
4 it into this reg package. Right now if a licensed
5 hauler -- okay, I'm not talking about somebody that isn't
6 licensed, but a licensed legit hauler who lists his
7 equipment -- has to go get a rental piece, there's a big
8 paperwork thing that goes on where we require the VIN
9 number and we require the license number. Appropriately
10 so.

11 But there's sometimes the requirement for eight
12 or ten-days notice on something like that, and that's not
13 the way business works.

14 I'd like you guys to look at the idea of when a
15 registered hauler, when somebody comes in that's legit
16 gets his package, which it's going to include all the
17 placards and everything, that we create a temporary waste
18 tire placard similar to a "handicapped" placard and a form
19 that that hauler fills out when they're at a rental
20 company renting a truck to include the vehicle ID number
21 and the license number, and then they FAX it to you, and
22 it's done because they've already got the placard.
23 Because these people have -- you know, through commerce
24 you have trucks break and sometimes you have tires you got
25 to pickup. This would notify you, let you know what's

1 going on, but not require you to approve of it. You know
2 what I mean? Because you would have approved that this is
3 a registered hauler to begin with and that this placard
4 lets them take care of these kinds of emergencies.

5 So I need you to think that through. I think it
6 should be in the package that we give to a registered
7 hauler that has trucks, so that they can take care of it.
8 Otherwise the bureaucracy gets in the way.

9 And really all you want to know is what truck and
10 vehicle ID number, right?

11 MR. CAMBRIDGE: Exactly.

12 CHAIRPERSON JONES: Okay. So does that make some
13 kind of sense? Are we cool with that for direction?
14 It'll take care of a huge bureaucratic nightmare that
15 seems to appear every time somebody needs to rent a truck.
16 I mean it's insane.

17 So, you know, we should be able come up with
18 that. And I'll talk to you more. But it looks like the
19 members and I think most of the staff see that that could
20 be a different approach, that doesn't put any burden on
21 anybody other than filling it out, putting what the rental
22 company is, license number, vehicle ID. And they have to
23 FAX it to you right away. You don't have to approve it.
24 You just got to have it.

25 MR. CAMBRIDGE: Right. Will we be able to put

1 that into the 45-day comment period?

2 CHAIRPERSON JONES: Yeah. I mean -- I don't
3 know. I mean I'm not a lawyer, but I don't know why not.
4 Can't they put something like that in the 45 days?

5 COMMITTEE MEMBER EATON: You're not a lawyer?

6 CHAIRPERSON JONES: No, I know why I'm not a
7 lawyer, believe me.

8 CHIEF COUNSEL TOBIAS: Yes, they could put --

9 CHAIRPERSON JONES: I chose a profession call
10 garbage.

11 Go ahead.

12 CHIEF COUNSEL TOBIAS: I'm not going to touch
13 that one.

14 There's no problem putting that in a set of regs
15 for them to put out for review.

16 I think one of the things we probably would want
17 to do is keep some numbers on it for a year and see who it
18 is that's really asking for those. I don't doubt at all
19 what you're saying, but I do think we need to do -- you
20 know, what we're noticing in enforcement is really some
21 need to see who the bad guys are. You know, is it people
22 who get registration but then don't follow through, or is
23 it people who don't have registration and we're finding
24 those at the check points?

25 So I think we'll just, you know, try to keep a

1 folder of who gets those temporary permits for a year and
2 then see who it is. And if it's, you know, all legit
3 folks and it's working great, then that'll be terrific.
4 But --

5 CHAIRPERSON JONES: I mean things happen. I mean
6 we used to have to license -- and we used to placard our
7 biohazardous. And some of them would blow up and you'd
8 have to send those trucks somewhere, but you couldn't haul
9 any medical waste. What are you going to do?

10 CHIEF COUNSEL TOBIAS: No, I think anything
11 that's more efficient is good.

12 CHAIRPERSON JONES: Yeah.

13 MR. DIER: Mr. Jones, I'd seek a little
14 clarification. I'm hearing a couple different things.

15 Did you want us to try and put some language into
16 the proposed regs, then go out the 45 day? Or to consider
17 this in the 45 day and come back later?

18 CHAIRPERSON JONES: I'd like you to probably
19 develop the language. I mean we're only talking -- we
20 should only be talking a little bit of dialogue, shouldn't
21 we?

22 MR. DIER: I'm asking because if we need to come
23 back to the Committee to go to notice. But if we add
24 something to this --

25 CHAIRPERSON JONES: No, I think I want -- let me

1 ask the members. The idea of a temporary placard and the
2 requirement for them to fax in the information that the
3 staff needs, could that be a change to these regs that
4 would be included prior to them going out to the 45 days?

5 Are you comfortable with that? Is that cool,
6 Danny?

7 COMMITTEE MEMBER EATON: Yes. Does the
8 placard -- the permit runs to the individual, does it not?

9 CHAIRPERSON JONES: Right. The permit goes to --

10 COMMITTEE MEMBER EATON: So in the regs there
11 should be something that, if it's a person -- you know,
12 some individuals have a fleet of trucks. Others have two.
13 So you need some language that's going to hedge against --
14 and I agree with you that in business things break down.
15 On the other hand you also want to hedge against the fact
16 that someone has a permit and then uses four other trucks
17 with temporary placards. So what you need to do is that,
18 you know --

19 MR. DIER: If it was a concept that there would
20 be a limit of one placard per hauler --

21 CHAIRPERSON JONES: -- per, exactly -- one
22 placard per hauler. And that you assign that to that
23 registered hauler, you know. I mean it's not
24 transferable, just it can go on different rental vehicles.
25 But the ownership, it would just be part of their

1 registration package.

2 Where's Bill?

3 Okay. Is that cool on that?

4 And then I do have one speaker. But go ahead.

5 CHIEF COUNSEL TOBIAS: That's fine. I think
6 doing it this way does mean that you're basically telling
7 staff to go out, develop the language, and you won't see
8 it before it goes out for review.

9 CHAIRPERSON JONES: Right. But I have faith
10 you're going to let us all see it. I mean you're going to
11 at least run it by us before you send it out, right?

12 MR. CAMBRIDGE: Yeah.

13 CHAIRPERSON JONES: Okay. Thank you.

14 Bill.

15 MR. PRINZ: Yes, Bill Prinz with the City of San
16 Diego LEA.

17 We've submitted written comments on the
18 regulations, so I won't address the issues. Staff
19 informed me most of those have been incorporated into the
20 45-day regs. And we would encourage you to approve staff
21 recommendation.

22 Thank you.

23 CHAIRPERSON JONES: The idea of a temporary
24 placard with just the faxing notification -- you're an
25 LEA -- does that make sense to you?

1 MR. PRINZ: It makes sense. You know, I don't
2 know if everybody would need one.

3 CHAIRPERSON JONES: Oh, I'm not saying everybody
4 needs it.

5 MR. PRINZ: Right. But it seems like there
6 should be a way to work that in, yeah.

7 CHAIRPERSON JONES: All right. Cool.

8 You don't see it as a big issue for you as an
9 LEA?

10 MR. PRINZ: I don't think so, no.

11 CHAIRPERSON JONES: Okay. So the direction is,
12 work on some language, kind of throw it by our -- all six
13 offices, just show it to them. I'll work with you. The
14 idea's simple. I don't want to make it more confusing.
15 Mr. Eaton's right. You know, I mean we've got to be able
16 to link it. And then just put it out on the 45 days.

17 CHIEF COUNSEL TOBIAS: May I suggest that --

18 CHAIRPERSON JONES: Oh, God, here it goes. See?
19 It's unbelievable. Go ahead.

20 CHIEF COUNSEL TOBIAS: May I suggest that staff
21 shows you as the Chair of the Committee, and then if it's
22 okay with you, it can go out?

23 CHAIRPERSON JONES: Sure. Absolutely.

24 All right. Is there any public comment?

25 Members, anything?

1 Sorry. It's probably the third inning. I still
2 haven't even seen the score.

3 See you guys later.

4 We're calling this adjourned.

5 (Thereupon the California Integrated Waste
6 Management Board, Special Waste and Market
7 Development Committee meeting adjourned
8 at 5:15 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board,
7 Special Waste and Market Development Committee meeting was
8 reported in shorthand by me, James F. Peters, a Certified
9 Shorthand Reporter of the State of California, and
10 thereafter transcribed into typewriting.

11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.

14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 21st day of October, 2002.

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